UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2019

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From to

Commission File Number: 001-37789
333-112593-01

CCO Holdings, LLC
CCO Holdings Capital Corp.

(Exact name of registrant as specified in its charter)

Delaware	**86-1067239**
Delaware	**20-0257904**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

400 Atlantic Street	**Stamford**	**Connecticut**	**06901**
(Address of Principal Executive Offices)			(Zip Code)

(203) 905-7801
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

All of the issued and outstanding shares of capital stock of CCO Holdings Capital Corp. are held by CCO Holdings, LLC. All of the limited liability company membership interests of CCO Holdings, LLC are held by CCH I Holdings, LLC (a subsidiary of Charter Communications, Inc., a reporting company under the Exchange Act). There is no public trading market for any of the aforementioned limited liability company membership interests or shares of capital stock.

CCO Holdings, LLC and CCO Holdings Capital Corp. meet the conditions set forth in General Instruction I(1)(a) and (b) to Form 10-K and are therefore filing with the reduced disclosure format.

Number of shares of common stock of CCO Holdings Capital Corporation outstanding as of June 30, 2019: 1

CCO HOLDINGS, LLC
CCO HOLDINGS CAPITAL CORP.
QUARTERLY REPORT ON FORM 10-Q FOR THE PERIOD ENDED JUNE 30, 2019

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This quarterly report on Form 10-Q is for the three and six months ended June 30, 2019. The United States Securities and Exchange Commission ("SEC") allows us to "incorporate by reference" information that we file with the SEC, which means that we can disclose important information to you by referring you directly to those documents. In this quarterly report, "CCO Holdings," "we," "us" and "our" refer to CCO Holdings, LLC and its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), regarding, among other things, our plans, strategies and prospects, both business and financial including, without limitation, the forward-looking statements set forth in the "Results of Operations" and "Liquidity and Capital Resources" sections under Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this quarterly report. Although we believe that our plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions including, without limitation, the factors described under "Risk Factors" under Part I, Item 1A of our most recent Form 10-K filed with the SEC. Many of the forward-looking statements contained in this quarterly report may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated," "aim," "on track," "target," "opportunity," "tentative," "positioning," "designed," "create," "predict," "project," "initiatives," "seek," "would," "could," "continue," "ongoing," "upside," "increases" and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this quarterly report are set forth in this quarterly report on Form 10-Q, in our annual report on Form 10-K, and in other reports or documents that we file from time to time with the SEC, and include, but are not limited to:

- our ability to sustain and grow revenues and cash flow from operations by offering video, Internet, voice, mobile, advertising and other services to residential and commercial customers, to adequately meet the customer experience demands in our service areas and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures;
- the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite ("DBS") operators, wireless broadband and telephone providers, digital subscriber line ("DSL") providers, fiber to the home providers, video provided over the Internet by (i) market participants that have not historically competed in the multichannel video business, (ii) traditional multichannel video distributors, and (iii) content providers that have historically licensed cable networks to multichannel video distributors, and providers of advertising over the Internet;
- our ability to efficiently and effectively integrate acquired operations;
- the effects of governmental regulation on our business including costs, disruptions and possible limitations on operating flexibility related to, and our ability to comply with, regulatory conditions applicable to us as a result of the Time Warner Cable Inc. and Bright House Networks, LLC Transactions;
- general business conditions, economic uncertainty or downturn, unemployment levels and the level of activity in the housing sector;
- our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents);
- our ability to develop and deploy new products and technologies including mobile products and any other consumer services and service platforms;
- any events that disrupt our networks, information systems or properties and impair our operating activities or our reputation;
- the ability to retain and hire key personnel;
- the availability and access, in general, of funds to meet our debt obligations prior to or when they become due and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets; and
- our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of our other obligations under cross-default provisions.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We are under no duty or obligation to update any of the forward-looking statements after the date of this quarterly report.

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

CCO HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in millions)

	June 30, 2019	December 31, 2018
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 498	$ 300
Accounts receivable, less allowance for doubtful accounts of $155 and $129, respectively	2,035	1,699
Prepaid expenses and other current assets	525	400
Total current assets	3,058	2,399
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net of accumulated depreciation of $24,950 and $23,038, respectively	33,876	34,658
Customer relationships, net	8,461	9,565
Franchises	67,319	67,319
Goodwill	29,554	29,554
Total investment in cable properties, net	139,210	141,096
OPERATING LEASE RIGHT-OF-USE ASSETS	989	—
OTHER NONCURRENT ASSETS	1,390	1,403
Total assets	$ 144,647	$ 144,898
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 7,252	$ 7,903
Payables to related party	435	545
Operating lease liabilities	178	—
Current portion of long-term debt	1,522	3,290
Total current liabilities	9,387	11,738
LONG-TERM DEBT	71,784	69,537
LOANS PAYABLE - RELATED PARTY	959	925
DEFERRED INCOME TAXES	52	—
LONG-TERM OPERATING LEASE LIABILITIES	851	—
OTHER LONG-TERM LIABILITIES	2,138	2,144
MEMBER'S EQUITY:		
Member's equity	59,454	60,532
Accumulated other comprehensive loss	(2)	(2)
Total CCO Holdings member's equity	59,452	60,530
Noncontrolling interests	24	24
Total member's equity	59,476	60,554
Total liabilities and member's equity	$ 144,647	$ 144,898

The accompanying notes are an integral part of these consolidated financial statements.

CCO HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in millions)
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
REVENUES	$ 11,345	$ 10,850	$ 22,548	$ 21,503
COSTS AND EXPENSES:				
Operating costs and expenses (exclusive of items shown separately below)	7,258	6,882	14,500	13,724
Depreciation and amortization	2,495	2,590	5,042	5,297
Other operating expenses, net	63	29	59	94
	9,816	9,501	19,601	19,115
Income from operations	1,529	1,349	2,947	2,388
OTHER INCOME (EXPENSES):				
Interest expense, net	(955)	(888)	(1,892)	(1,746)
Loss on financial instruments, net	(119)	(75)	(82)	(12)
Other pension benefits, net	9	20	18	40
Other expense, net	(16)	(43)	(126)	(45)
	(1,081)	(986)	(2,082)	(1,763)
Income before income taxes	448	363	865	625
Income tax expense	(9)	(7)	(76)	(5)
Consolidated net income	439	356	789	620
Less: Net income attributable to noncontrolling interests	(1)	(1)	(1)	(1)
Net income attributable to CCO Holdings member	$ 438	$ 355	$ 788	$ 619

The accompanying notes are an integral part of these consolidated financial statements.

CCO HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY
(dollars in millions)
Unaudited

	Member's Equity	Accumulated Other Comprehensive Loss	Total CCO Holdings Member's Equity	Non-controlling Interests	Total Member's Equity
BALANCE, December 31, 2018	$ 60,532	$ (2)	$ 60,530	$ 24	$ 60,554
Consolidated net income	350	—	350	—	350
Stock compensation expense	85	—	85	—	85
Contributions from parent	9	—	9	—	9
Distributions to parent	(1,040)	—	(1,040)	—	(1,040)
Distributions to noncontrolling interest	—	—	—	(1)	(1)
BALANCE, March 31, 2019	59,936	(2)	59,934	23	59,957
Consolidated net income	438	—	438	1	439
Stock compensation expense	82	—	82	—	82
Contributions from parent	42	—	42	—	42
Distributions to parent	(1,044)	—	(1,044)	—	(1,044)
BALANCE, June 30, 2019	$ 59,454	$ (2)	$ 59,452	$ 24	$ 59,476

	Member's Equity	Accumulated Other Comprehensive Loss	Total CCO Holdings Member's Equity	Non-controlling Interests	Total Member's Equity
BALANCE, December 31, 2017	$ 63,559	$ (1)	$ 63,558	$ 24	$ 63,582
Consolidated net income	264	—	264	—	264
Stock compensation expense	72	—	72	—	72
Accelerated vesting of equity awards	5	—	5	—	5
Cumulative effect of accounting changes	49	—	49	—	49
Contributions from parent	72	—	72	—	72
Distributions to parent	(747)	—	(747)	—	(747)
Distributions to noncontrolling interest	—	—	—	(1)	(1)
BALANCE, March 31, 2018	63,274	(1)	63,273	23	63,296
Consolidated net income	355	—	355	1	356
Stock compensation expense	70	—	70	—	70
Changes in accumulated other comprehensive loss	—	(1)	(1)	—	(1)
Contributions from parent	5	—	5	—	5
Distributions to parent	(1,909)	—	(1,909)	—	(1,909)
BALANCE, June 30, 2018	$ 61,795	$ (2)	$ 61,793	$ 24	$ 61,817

The accompanying notes are an integral part of these consolidated financial statements.

CCO HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)
Unaudited

	Six Months Ended June 30,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income	$ 789	$ 620
Adjustments to reconcile consolidated net income to net cash flows from operating activities:		
Depreciation and amortization	5,042	5,297
Stock compensation expense	167	142
Accelerated vesting of equity awards	—	5
Noncash interest income, net	(72)	(177)
Other pension benefits, net	(18)	(40)
Loss on financial instruments, net	82	12
Deferred income taxes	54	—
Other, net	160	51
Changes in operating assets and liabilities:		
Accounts receivable	(336)	20
Prepaid expenses and other assets	(163)	(78)
Accounts payable, accrued liabilities and other	(217)	1
Receivables from and payables to related party	(78)	(137)
Net cash flows from operating activities	5,410	5,716
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(3,262)	(4,574)
Change in accrued expenses related to capital expenditures	(428)	(466)
Other, net	80	(55)
Net cash flows from investing activities	(3,610)	(5,095)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	10,714	5,628
Repayments of long-term debt	(10,123)	(3,500)
Borrowings of loans payable - related parties	—	7
Payments for debt issuance costs	(32)	(17)
Contributions from parent	51	77
Distributions to parent	(2,084)	(2,656)
Distributions to noncontrolling interest	(1)	(1)
Other, net	(127)	(5)
Net cash flows from financing activities	(1,602)	(467)
NET INCREASE IN CASH AND CASH EQUIVALENTS	198	154
CASH AND CASH EQUIVALENTS, beginning of period	300	330
CASH AND CASH EQUIVALENTS, end of period	$ 498	$ 484
CASH PAID FOR INTEREST	$ 2,017	$ 1,889
CASH PAID FOR TAXES	$ 22	$ 19

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Basis of Presentation

Organization

CCO Holdings, LLC (together with its subsidiaries, "CCO Holdings," or the "Company") is the second largest cable operator in the United States and a leading broadband communications company providing video, Internet and voice services to residential and business customers. The Company also recently launched its mobile service to residential customers. In addition, the Company sells video and online advertising inventory to local, regional and national advertising customers and fiber-delivered communications and managed information technology solutions to larger enterprise customers. The Company also owns and operates regional sports networks and local sports, news and community channels.

CCO Holdings is a holding company whose principal assets are the equity interests in its operating subsidiaries. CCO Holdings is a direct subsidiary of CCH I Holdings, LLC, which is an indirect subsidiary of Charter Communications, Inc. ("Charter"), Charter Communications Holdings, LLC ("Charter Holdings") and Spectrum Management Holding Company, LLC ("Spectrum Management"). The consolidated financial statements include the accounts of CCO Holdings and all of its subsidiaries where the underlying operations reside. All significant intercompany accounts and transactions among consolidated entities have been eliminated. Charter, Charter Holdings and Spectrum Management have performed financing, cash management, treasury and other services for CCO Holdings on a centralized basis. Changes in member's equity in the consolidated balance sheets related to these activities have been considered cash receipts (contributions) and payments (distributions) for purposes of the consolidated statements of cash flows and are reflected in financing activities.

The Company's operations are managed and reported to its Chairman and Chief Executive Officer ("CEO"), the Company's chief operating decision maker, on a consolidated basis. The CEO assesses performance and allocates resources based on the consolidated results of operations. Under this organizational and reporting structure, the Company has one reportable segment, cable services.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, certain information and footnote disclosures typically included in CCO Holdings' Annual Report on Form 10-K have been condensed or omitted for this quarterly report. The accompanying consolidated financial statements are unaudited and are subject to review by regulatory authorities. However, in the opinion of management, such financial statements include all adjustments, which consist of only normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. Interim results are not necessarily indicative of results for a full year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas involving significant judgments and estimates include capitalization of labor and overhead costs; depreciation and amortization costs; impairments of property, plant and equipment, intangibles and goodwill; pension benefits; income taxes; contingencies and programming expense. Actual results could differ from those estimates.

(dollars in millions, except where indicated)

2. Franchises, Goodwill and Other Intangible Assets

Indefinite-lived and finite-lived intangible assets consist of the following as of June 30, 2019 and December 31, 2018:

	June 30, 2019			December 31, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangible assets:						
Franchises	$ 67,319	$ —	$ 67,319	$ 67,319	$ —	$ 67,319
Goodwill	29,554	—	29,554	29,554	—	29,554
	$ 96,873	$ —	$ 96,873	$ 96,873	$ —	$ 96,873
Finite-lived intangible assets:						
Customer relationships	$ 18,229	$ (9,768)	$ 8,461	$ 18,229	$ (8,664)	$ 9,565
Other intangible assets	409	(114)	295	409	(92)	317
	$ 18,638	$ (9,882)	$ 8,756	$ 18,638	$ (8,756)	$ 9,882

Amortization expense related to customer relationships and other intangible assets for the three and six months ended June 30, 2019 was $548 million and $1.1 billion, respectively, and $614 million and $1.3 billion for the three and six months ended June 30, 2018, respectively.

The Company expects amortization expense on its finite-lived intangible assets will be as follows:

Six months ended December 31, 2019	$ 1,029
2020	1,873
2021	1,597
2022	1,327
2023	1,070
Thereafter	1,860
	$ 8,756

Actual amortization expense in future periods will differ from these estimates as a result of new intangible asset acquisitions or divestitures, changes in useful lives, impairments and other relevant factors.

3. Investments

The Company recorded impairments on equity investments of approximately $11 million and $121 million during the three and six months ended June 30, 2019, respectively, and $39 million and $58 million during the three and six months ended June 30, 2018, respectively, which was recorded in other expense, net in the consolidated statements of operations.

(dollars in millions, except where indicated)

4. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following as of June 30, 2019 and December 31, 2018:

	June 30, 2019	December 31, 2018
Accounts payable – trade	$ 714	$ 702
Deferred revenue	389	494
Accrued liabilities:		
Programming costs	2,108	2,044
Labor	660	705
Capital expenditures	1,016	1,472
Interest	1,001	1,045
Taxes and regulatory fees	511	508
Other	853	933
	$ 7,252	$ 7,903

5. Leases

The primary leased asset classes of the Company include real estate, dark fiber, colocation facilities and other equipment. The lease agreements include both lease and non-lease components, which the Company accounts for separately depending on the election made for each leased asset class. For real estate and dark fiber leased asset classes, the Company accounts for lease and non-lease components as a single lease component and includes all fixed payments in the measurement of lease liabilities and lease assets. For colocation facilities leased asset class, the Company accounts for lease and non-lease components separately including only the fixed lease payment component in the measurement of lease liabilities and lease assets.

In addition to fixed lease payments, certain of the Company’s lease agreements include variable lease payments which are tied to an index or rate such as the change in the Consumer Price Index. These variable payments are not included in the measurement of the lease liabilities and lease assets.

Lease assets and lease liabilities are initially recognized based on the present value of the future lease payments over the expected lease term. As for most leases the implicit rate is not readily determinable, the Company uses a discount rate in determining the present value of future payments based on the yield-to-maturity of the Company’s secured publicly traded USD denominated debt instruments interpolating the duration of the debt to the term of the executed lease.

The Company’s leases have base rent periods and some with optional renewal periods. Leases with base rent periods of less than 12 months are not recorded on the balance sheet. For purposes of measurement of lease liabilities, the expected lease terms may include renewal options when it is reasonably certain that the Company will exercise such options. Based on conditions of the Company's existing leases and its overall business strategies, the majority of the Company's renewal options are not reasonably certain in determining the expected lease term. The Company will periodically reassess expected lease terms (and purchase options, if applicable) based on significant triggering events or compelling economic reasons to exercise such options.

The Company’s primary lease income represents sublease income on certain real estate leases. Sublease income is included in other revenue and presented gross from rent expense. For customer premise equipment ("CPE") where such CPE would qualify as a lease, the Company applies the practical expedient to combine the operating lease with the subscription service revenue as a single performance obligation in accordance with revenue recognition accounting guidance as the subscription service is the predominant component.

(dollars in millions, except where indicated)

The components of lease related expenses, net are as follows.

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease expense [a]	$ 95	$ 189
Finance lease expense:		
Amortization of right-of-use assets	3	7
Interest on lease liabilities	2	3
Total finance lease expense	5	10
Sublease income	(5)	(10)
Total lease related expenses, net	$ 95	$ 189

(a) Includes short-term leases and variable leases costs of $27 million and $61 million for the three and six months ended June 30, 2019, respectively.

Supplemental cash flow information related to leases is as follows.

	Six Months Ended June 30, 2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 122
Operating cash flows from finance leases	$ 2
Financing cash flows from finance leases	$ 4
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 115
Finance leases	$ 26

(dollars in millions, except where indicated)

Supplemental balance sheet information related to leases is as follows.

	June 30, 2019
Operating leases:	
Operating lease right-of-use assets	$ 989
Current operating lease liabilities	$ 178
Long-term operating lease liabilities	851
Total operating lease liabilities	$ 1,029
Finance leases:	
Finance lease right-of-use assets (included within property, plant and equipment, net)	$ 202
Current finance lease liabilities (included within accounts payable and accrued liabilities)	$ 6
Long-term finance lease liabilities (included within other long-term liabilities)	97
Total finance lease liabilities	$ 103
Weighted average remaining lease term	
Operating leases	6.9 years
Finance leases	13.1 years
Weighted average discount rate	
Operating leases	4.5%
Finance leases	5.6%

Maturities of lease liabilities are as follows.

	Operating leases	Finance leases
Six months ended December 31, 2019	$ 123	$ 5
2020	238	11
2021	205	12
2022	170	12
2023	145	12
Thereafter	396	95
Undiscounted lease cash flow commitments	1,277	147
Reconciling impact from discounting	(248)	(44)
Lease liabilities on consolidated balance sheet as of June 30, 2019	$ 1,029	$ 103

(dollars in millions, except where indicated)

The following table presents the Company's unadjusted lease commitments as of December 31, 2018 as a required disclosure for companies adopting the lease standard prospectively without revising comparative period information.

	Operating leases	Finance leases
2019	$ 233	$ 10
2020	215	9
2021	176	9
2022	142	9
2023	119	10
Thereafter	342	64
	$ 1,227	$ 111

6. Long-Term Debt

Long-term debt consists of the following as of June 30, 2019 and December 31, 2018:

	June 30, 2019		December 31, 2018	
	Principal Amount	Accreted Value	Principal Amount	Accreted Value
CCO Holdings, LLC:				
5.250% senior notes due March 15, 2021	$ 500	$ 498	$ 500	$ 498
5.250% senior notes due September 30, 2022	1,250	1,239	1,250	1,238
5.125% senior notes due February 15, 2023	1,000	995	1,000	994
4.000% senior notes due March 1, 2023	500	497	500	496
5.125% senior notes due May 1, 2023	1,150	1,144	1,150	1,144
5.750% senior notes due September 1, 2023	500	497	500	497
5.750% senior notes due January 15, 2024	1,000	994	1,000	993
5.875% senior notes due April 1, 2024	1,700	1,689	1,700	1,688
5.375% senior notes due May 1, 2025	750	746	750	745
5.750% senior notes due February 15, 2026	2,500	2,469	2,500	2,467
5.500% senior notes due May 1, 2026	1,500	1,491	1,500	1,490
5.875% senior notes due May 1, 2027	800	795	800	795
5.125% senior notes due May 1, 2027	3,250	3,221	3,250	3,219
5.000% senior notes due February 1, 2028	2,500	2,467	2,500	2,466
5.375% senior notes due June 1, 2029	750	743	—	—
Charter Communications Operating, LLC:				
3.579% senior notes due July 23, 2020	2,000	1,995	2,000	1,992
4.464% senior notes due July 23, 2022	3,000	2,984	3,000	2,982
Senior floating rate notes due February 1, 2024	900	902	900	903
4.500% senior notes due February 1, 2024	1,100	1,092	1,100	1,091
4.908% senior notes due July 23, 2025	4,500	4,468	4,500	4,466
3.750% senior notes due February 15, 2028	1,000	987	1,000	986
4.200% senior notes due March 15, 2028	1,250	1,240	1,250	1,240
5.050% senior notes due March 30, 2029	1,250	1,240	—	—
6.384% senior notes due October 23, 2035	2,000	1,982	2,000	1,982
5.375% senior notes due April 1, 2038	800	786	800	785
6.484% senior notes due October 23, 2045	3,500	3,467	3,500	3,467

(dollars in millions, except where indicated)

5.375% senior notes due May 1, 2047	2,500	2,506	2,500	2,506
5.750% senior notes due April 1, 2048	2,450	2,390	1,700	1,683
6.834% senior notes due October 23, 2055	500	495	500	495
Credit facilities	11,167	11,089	10,038	9,959
Time Warner Cable, LLC:				
8.750% senior notes due February 14, 2019	—	—	1,250	1,260
8.250% senior notes due April 1, 2019	—	—	2,000	2,030
5.000% senior notes due February 1, 2020	1,500	1,522	1,500	1,541
4.125% senior notes due February 15, 2021	700	716	700	721
4.000% senior notes due September 1, 2021	1,000	1,027	1,000	1,033
5.750% sterling senior notes due June 2, 2031 [(a)]	794	851	796	855
6.550% senior debentures due May 1, 2037	1,500	1,678	1,500	1,680
7.300% senior debentures due July 1, 2038	1,500	1,776	1,500	1,780
6.750% senior debentures due June 15, 2039	1,500	1,716	1,500	1,719
5.875% senior debentures due November 15, 2040	1,200	1,256	1,200	1,256
5.500% senior debentures due September 1, 2041	1,250	1,258	1,250	1,258
5.250% sterling senior notes due July 15, 2042 [(b)]	825	796	827	798
4.500% senior debentures due September 15, 2042	1,250	1,141	1,250	1,140
Time Warner Cable Enterprises LLC:				
8.375% senior debentures due March 15, 2023	1,000	1,170	1,000	1,191
8.375% senior debentures due July 15, 2033	1,000	1,291	1,000	1,298
Total debt	72,586	73,306	71,961	72,827
Less current portion:				
8.750% senior notes due February 14, 2019	—	—	(1,250)	(1,260)
8.250% senior notes due April 1, 2019	—	—	(2,000)	(2,030)
5.000% senior notes due February 1, 2020	(1,500)	(1,522)	—	—
Long-term debt	$ 71,086	$ 71,784	$ 68,711	$ 69,537

(a) Principal amount includes £625 million remeasured at $794 million and $796 million as of June 30, 2019 and December 31, 2018, respectively, using the exchange rate at the respective dates.

(b) Principal amount includes £650 million remeasured at $825 million and $827 million as of June 30, 2019 and December 31, 2018, respectively, using the exchange rate at the respective dates.

The accreted values presented in the table above represent the principal amount of the debt less the original issue discount at the time of sale, deferred financing costs, and, in regards to Time Warner Cable, LLC and Time Warner Cable Enterprises LLC debt assumed, fair value premium adjustments as a result of applying acquisition accounting plus the accretion of those amounts to the balance sheet date. However, the amount that is currently payable if the debt becomes immediately due is equal to the principal amount of the debt. In regards to the fixed-rate British pound sterling denominated notes (the "Sterling Notes"), the principal amount of the debt and any premium or discount is remeasured into U.S. dollars as of each balance sheet date. See Note 8. The Company has availability under the Charter Communications Operating, LLC ("Charter Operating") credit facilities of approximately $4.1 billion as of June 30, 2019.

In January 2019, Charter Operating and Charter Communications Operating Capital Corp. jointly issued $1.25 billion aggregate principal amount of 5.050% senior notes due 2029 at a price of 99.935% of the aggregate principal amount and an additional $750 million aggregate principal amount of 5.750% senior notes due 2048 at a price of 94.970% of the aggregate principal amount. The net proceeds were used to pay related fees and expenses and for general corporate purposes, including distributions to the Company's parent companies to fund buybacks of Charter Class A common stock and Charter Holdings common units as well as repaying certain indebtedness, including repaying at maturity Time Warner Cable, LLC's 8.750% senior notes due 2019.

In July 2019, Charter Operating and Charter Communications Operating Capital Corp. jointly issued $1.25 billion aggregate principal amount of 5.125% senior notes due 2049 at a price of 99.880% of the aggregate principal amount. The net proceeds will be used to pay related fees and expenses and for general corporate purposes, including distributions to the Company's parent companies to fund potential buybacks of Charter Class A common stock and Charter Holdings common units as well as repaying certain indebtedness, which may include Time Warner Cable, LLC's 5.000% senior notes due 2020.

The Charter Operating notes are guaranteed by CCO Holdings and substantially all of the operating subsidiaries of Charter Operating. In addition, the Charter Operating notes are secured by a perfected first priority security interest in substantially all of the assets of Charter Operating to the extent such liens can be perfected under the Uniform Commercial Code by the filing of a financing statement and the liens rank equally with the liens on the collateral securing obligations under the Charter Operating credit facilities. Charter Operating may redeem some or all of the Charter Operating notes at any time at a premium.

The Charter Operating notes are subject to the terms and conditions of the indentures governing the Charter Operating notes. The Charter Operating notes contain customary representations and warranties and affirmative covenants with limited negative covenants. The Charter Operating indentures also contains customary events of default.

In January 2019, Charter Operating entered into an amendment to its Credit Agreement raising $1.7 billion of new term loan A-3 and increasing revolving loan capacity to $4.75 billion. In addition, the majority of term loan A-2 holders converted to term loan A-3 and a substantial portion of revolver commitments were extended to 2024. Pricing on the new term loan A-3 is LIBOR plus 1.50%. The net proceeds were used to pay related fees and expenses and for general corporate purposes, including distributions to the Company's parent companies to fund buybacks of Charter Class A common stock and Charter Holdings common units as well as repaying certain indebtedness, including repaying at maturity Time Warner Cable, LLC's 8.250% senior notes due 2019.

In May 2019, CCO Holdings and CCO Holdings Capital Corp. jointly issued $750 million aggregate principal amount of 5.375% senior unsecured notes due 2029 at par and in July 2019, an additional $750 million of the same series of notes were issued at a price of 102.000% of the aggregate principal amount. The net proceeds were used to pay related fees and expenses and for general corporate purposes, including distributions to the Company's parent companies to fund buybacks of Charter Class A common stock and Charter Holdings common units as well as repaying certain indebtedness.

The CCO Holdings notes are senior debt obligations of CCO Holdings and CCO Holdings Capital and rank equally with all other current and future unsecured, unsubordinated obligations of CCO Holdings and CCO Holdings Capital. They are structurally subordinated to all obligations of subsidiaries of CCO Holdings.

CCO Holdings may redeem some or all of the notes at any time at a premium. Beginning in 2027, the optional redemption price declines to 100% of the principal amount, plus accrued and unpaid interest, if any.

In addition, at any time prior to June 1, 2022, CCO Holdings may redeem up to 40% of the aggregate principal amount of the notes at a premium plus accrued and unpaid interest to the redemption date, with the net cash proceeds of one or more equity offerings (as defined in the indenture); provided that certain conditions are met. In the event of specified change of control events, CCO Holdings must offer to purchase the outstanding notes from the holders at a purchase price equal to 101% of the total principal amount of the notes, plus any accrued and unpaid interest.

7. Loans Payable - Related Party

Loans payable - related party as of June 30, 2019 and December 31, 2018 consists of loans from Charter Communications Holding Company, LLC (“Charter Holdco”) to the Company of $699 million and $674 million, respectively, and loans from Charter to the Company of $260 million and $251 million, respectively. Interest accrued on loans payable - related party at LIBOR plus 1.50% during the periods ending June 30, 2019 and December 31, 2018.

8. Accounting for Derivative Instruments and Hedging Activities

The Company uses derivative instruments to manage foreign exchange risk on the Sterling Notes, and does not hold or issue derivative instruments for speculative trading purposes.

(dollars in millions, except where indicated)

Cross-currency derivative instruments are used to effectively convert £1.275 billion aggregate principal amount of fixed-rate British pound sterling denominated debt, including annual interest payments and the payment of principal at maturity, to fixed-rate U.S. dollar denominated debt. The cross-currency swaps have maturities of June 2031 and July 2042. The Company is required to post collateral on the cross-currency derivative instruments when the derivative contracts are in a liability position. In April 2019, the Company entered into a collateral holiday agreement for 60% of both the 2031 and 2042 cross-currency swaps, which eliminates the requirement to post collateral for three years, as well as a ten year collateral cap on the remaining 40% of the cross-currency swaps which limits the required collateral posting on that 40% of the cross-currency swaps to $150 million. The fair value of the Company's cross-currency derivatives was $323 million and $237 million and is included in other long-term liabilities on its consolidated balance sheets as of June 30, 2019 and December 31, 2018, respectively.

The Company's derivative instruments are not designated as hedges and are marked to fair value each period, with the impact recorded as a gain or loss on financial instruments, net in the consolidated statements of operations. While these derivative instruments are not designated as hedges for accounting purposes, management continues to believe such instruments are closely correlated with the respective debt, thus managing associated risk.

The effect of financial instruments on the consolidated statements of operations is presented in the table below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Gain (Loss) on Financial Instruments, Net:				
Change in fair value of cross-currency derivative instruments	$ (163)	$ (181)	$ (86)	$ (53)
Foreign currency remeasurement of Sterling Notes to U.S. dollars	44	106	4	41
	$ (119)	$ (75)	$ (82)	$ (12)

9. Fair Value Measurements

Accounting guidance establishes a three-level hierarchy for disclosure of fair value measurements, based on the transparency of inputs to the valuation of an asset or liability as of the measurement date, as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Financial Assets and Liabilities

The Company has estimated the fair value of its financial instruments as of June 30, 2019 and December 31, 2018 using available market information or other appropriate valuation methodologies. Considerable judgment, however, is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented in the accompanying consolidated financial statements are not necessarily indicative of the amounts the Company would realize in a current market exchange.

The carrying amounts of cash and cash equivalents, receivables, payables and other current assets and liabilities approximate fair value because of the short maturity of those instruments.

Financial instruments accounted for at fair value on a recurring basis and classified within Level 2 of the valuation hierarchy include the Company's cross-currency derivative instruments and were valued at $323 million and $237 million as of June 30, 2019 and December 31, 2018, respectively.

(dollars in millions, except where indicated)

The estimated fair value of the Company's senior notes and debentures as of June 30, 2019 and December 31, 2018 is based on quoted market prices in active markets and is classified within Level 1 of the valuation hierarchy, while the estimated fair value of the Company's credit facilities is based on quoted market prices in inactive markets and is classified within Level 2.

A summary of the carrying value and fair value of debt as of June 30, 2019 and December 31, 2018 is as follows:

	June 30, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior notes and debentures	$ 62,217	$ 66,122	$ 62,868	$ 61,087
Credit facilities	$ 11,089	$ 11,123	$ 9,959	$ 9,608

Nonfinancial Assets and Liabilities

The Company's nonfinancial assets such as equity-method investments, franchises, property, plant, and equipment, and other intangible assets are not measured at fair value on a recurring basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence that an impairment may exist. When such impairments are recorded, fair values are generally classified within Level 3 of the valuation hierarchy.

10. Revenue

The Company's revenues by product line are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Video	$ 4,391	$ 4,363	$ 8,775	$ 8,655
Internet	4,103	3,770	8,127	7,477
Voice	489	531	993	1,087
Residential revenue	8,983	8,664	17,895	17,219
Small and medium business	963	915	1,908	1,815
Enterprise	652	627	1,295	1,249
Commercial revenue	1,615	1,542	3,203	3,064
Advertising sales	395	427	740	783
Mobile	158	—	298	—
Other	194	217	412	437
	$ 11,345	$ 10,850	$ 22,548	$ 21,503

(dollars in millions, except where indicated)

11. Operating Costs and Expenses

Operating costs and expenses, exclusive of items shown separately in the consolidated statements of operations, consist of the following for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Programming	$ 2,827	$ 2,803	$ 5,692	$ 5,555
Regulatory, connectivity and produced content	597	560	1,158	1,093
Costs to service customers	1,767	1,784	3,589	3,638
Marketing	768	769	1,503	1,520
Mobile	277	33	537	41
Other	1,022	933	2,021	1,877
	$ 7,258	$ 6,882	$ 14,500	$ 13,724

Programming costs consist primarily of costs paid to programmers for basic, premium, digital, video on demand and pay-per-view programming. Regulatory, connectivity and produced content costs represent payments to franchise and regulatory authorities, costs directly related to providing video, Internet and voice services as well as payments for sports, local and news content produced by the Company. Included in regulatory, connectivity and produced content costs is content acquisition costs for the Los Angeles Lakers' basketball games and Los Angeles Dodgers' baseball games, which are recorded as games are exhibited over the applicable season. Costs to service customers include costs related to field operations, network operations and customer care for the Company's residential and small and medium business customers, including internal and third-party labor for the non-capitalizable portion of installations, service and repairs, maintenance, bad debt expense, billing and collection, occupancy and vehicle costs. Marketing costs represent the costs of marketing to current and potential commercial and residential customers including labor costs. Mobile costs represent costs associated with the Company's mobile service such as device and service costs, marketing, sales and commissions, retail stores, personnel costs and taxes, among others. Other includes corporate overhead, advertising sales expenses, indirect costs associated with the Company's enterprise business customers and regional sports and news networks, property tax and insurance expense and stock compensation expense, among others.

12. Other Operating Expenses, Net

Other operating expenses, net consist of the following for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Special charges, net	$ 24	$ 35	$ 21	$ 107
(Gain) loss on sale of assets, net	39	(6)	38	(13)
	$ 63	$ 29	$ 59	$ 94

Special charges, net

Special charges, net primarily includes employee termination costs and net amounts of litigation settlements. The three and six months ended June 30, 2018 includes $28 million and $71 million of merger and restructuring costs, respectively. The six months ended June 30, 2018 also includes a $22 million charge related to the Company's withdrawal liability from a multiemployer pension plan.

Gain (loss) on sale of assets, net

Gain (loss) on sale of assets, net represents the net gain (loss) recognized on the sales and disposals of fixed assets and cable systems. The three and six months ended June 30, 2019 includes a $41 million impairment of non-strategic assets.

(dollars in millions, except where indicated)

13. Stock Compensation Plans

Charter's stock incentive plans provide for grants of nonqualified stock options, incentive stock options, stock appreciation rights, dividend equivalent rights, performance units and performance shares, share awards, phantom stock, restricted stock units and restricted stock. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing consulting services for the Company, are eligible for grants under the stock incentive plans.

Charter granted the following equity awards for the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Stock options	31,500	36,700	1,782,400	1,466,500
Restricted stock	8,100	9,700	8,100	9,700
Restricted stock units	13,200	21,700	686,900	505,400

Charter stock options and restricted stock units generally cliff vest upon the three year anniversary of each grant. Certain stock options and restricted stock units vest based on achievement of stock price hurdles. Stock options generally expire ten years from the grant date and restricted stock units have no voting rights. Restricted stock generally vests one year from the date of grant. Time Warner Cable Inc. ("TWC") restricted stock units that were converted into Charter restricted stock units generally vest 50% on each of the third and fourth anniversary of the grant date.

As of June 30, 2019, total unrecognized compensation remaining to be recognized in future periods totaled $252 million for stock options, $2 million for restricted stock and $290 million for restricted stock units and the weighted average period over which they are expected to be recognized is two years for stock options, ten months for restricted stock and two years for restricted stock units.

The Company recorded $82 million and $167 million for the three and six months ended June 30, 2019, respectively, and $70 million and $142 million of stock compensation expense for the three and six months ended June 30, 2018, respectively, which is included in operating costs and expenses. The Company also recorded $5 million of expense related to accelerated vesting of equity awards of terminated employees, which is recorded in other operating expenses, net in the consolidated statements of operations for the six months ended June 30, 2018.

14. Income Taxes

CCO Holdings is a single member limited liability company not subject to income tax. CCO Holdings holds all operations through indirect subsidiaries. The majority of these indirect subsidiaries are limited liability companies that are not subject to income tax. Certain indirect subsidiaries that are required to file separate returns are subject to federal and state tax. CCO Holdings' tax provision reflects the tax provision of the entities required to file separate returns.

Generally, the taxable income, gains, losses, deductions and credits of CCO Holdings are passed through to its indirect members, Charter and Advance/Newhouse Partnership ("A/N"). Charter is responsible for its share of taxable income or loss of CCO Holdings allocated to it in accordance with the Charter Holdings Limited Liability Company Agreement and partnership tax rules and regulations. Charter also records financial statement deferred tax assets and liabilities related to its investment, and its underlying net assets, in CCO Holdings.

The Company recorded income tax expense of $9 million and $76 million for the three and six months ended June 30, 2019, respectively, and $7 million and $5 million for the three and six months ended June 30, 2018, respectively. Income tax expense increased year over year primarily as a result of an internal entity simplification and higher pretax income.

In determining the Company's tax provision for financial reporting purposes, the Company establishes a reserve for uncertain tax positions unless such positions are determined to be "more likely than not" of being sustained upon examination, based on their technical merits. There is considerable judgment involved in making such a determination. The Company has recorded unrecognized tax benefits totaling approximately $117 million and $119 million, excluding interest and penalties, as of June 30, 2019 and December 31, 2018, respectively. The Company does not currently anticipate that its reserve for uncertain tax positions will significantly increase or decrease during 2019; however, various events could cause the Company's current expectations to change in the future. These uncertain tax positions, if ever recognized in the financial statements, would be recorded in the consolidated statements of operations as part of the income tax provision.

(dollars in millions, except where indicated)

No tax years for Charter, the Company's indirect parent company, are currently under examination by the Internal Revenue Service ("IRS") for income tax purposes. Charter's 2016 through 2018 tax years remain open for examination and assessment. Charter’s tax years ending 2015 through the short period return dated May 17, 2016 (prior to the acquisition of TWC and Bright House Networks, LLC) remain subject to examination and assessment. Years prior to 2015 remain open solely for purposes of examination of Charter’s loss and credit carryforwards. The IRS is currently examining Charter Holdings’ income tax return for 2016. Charter Holdings’ 2017 and 2018 tax years remains open for examination and assessment. The IRS is currently examining TWC’s income tax returns for 2011 through 2014. TWC’s tax year 2015 remains subject to examination and assessment. Prior to TWC’s separation from Time Warner Inc. (“Time Warner”) in March 2009, TWC was included in the consolidated U.S. federal and certain state income tax returns of Time Warner. The IRS has examined Time Warner’s 2008 through 2010 income tax returns and the results are under appeal. The Company does not anticipate that these examinations will have a material impact on the Company’s consolidated financial position or results of operations. In addition, the Company is also subject to ongoing examinations of the Company’s tax returns by state and local tax authorities for various periods. Activity related to these state and local examinations did not have a material impact on the Company’s consolidated financial position or results of operations during the three and six months ended June 30, 2019, nor does the Company anticipate a material impact in the future.

15. Comprehensive Income

Comprehensive income equaled net income for the three and six months ended June 30, 2019. The following table sets forth the consolidated statements of comprehensive income for the periods presented.

	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Consolidated net income	$ 356	$ 620
Foreign currency translation adjustment	(1)	(1)
Consolidated comprehensive income	355	619
Less: Comprehensive income attributable to noncontrolling interest	(1)	(1)
Comprehensive income attributable to Charter shareholders	$ 354	$ 618

16. Related Party Transactions

The following sets forth certain transactions in which the Company and the directors, executive officers, and affiliates of the Company are involved.

Liberty Broadband and A/N

Under the terms of the Amended and Restated Stockholders Agreement with Liberty Broadband Corporation (“Liberty Broadband”), A/N and Charter, dated May 23, 2015, the number of Charter’s directors is fixed at 13, and includes its CEO. Two designees selected by A/N are members of the board of directors of Charter and three designees selected by Liberty Broadband are members of the board of directors of Charter. The remaining eight directors are not affiliated with either A/N or Liberty Broadband. Each of A/N and Liberty Broadband is entitled to nominate at least one director to each of the committees of Charter’s board of directors, subject to applicable stock exchange listing rules and certain specified voting or equity ownership thresholds for each of A/N and Liberty Broadband, and provided that the Nominating and Corporate Governance Committee and the Compensation and Benefit Committee each have at least a majority of directors independent from A/N, Liberty Broadband and Charter (referred to as the “unaffiliated directors”). Each of the Nominating and Corporate Governance Committee and the Compensation and Benefits Committee is currently comprised of three unaffiliated directors and one designee of each of A/N and Liberty Broadband. A/N and Liberty Broadband also have certain other committee designation and other governance rights. Mr. Thomas Rutledge, the Company’s CEO, is the chairman of the board of Charter.

In December 2017, Charter and A/N entered into an amendment to the letter agreement (the “Letter Agreement”) that requires A/N to sell to Charter or to Charter Holdings, on a monthly basis, a number of shares of Charter Class A common stock or Charter

Holdings common units that represents a pro rata participation by A/N and its affiliates in any repurchases of shares of Charter Class A common stock from persons other than A/N effected by Charter during the immediately preceding calendar month, at a purchase price equal to the average price paid by Charter for the shares repurchased from persons other than A/N during such immediately preceding calendar month. A/N and Charter both have the right to terminate or suspend the pro rata repurchase arrangement on a prospective basis.

The Company is aware that Dr. John Malone, a director emeritus of Charter and Chairman of the board of directors and holder of 49.0% of voting interest in Liberty Broadband, may be deemed to have a 39.9% voting interest in Qurate Retail, Inc. ("Qurate") and is on the board of directors of Qurate. Qurate wholly owns HSN, Inc. (“HSN”) and QVC, Inc. (“QVC”). The Company has programming relationships with HSN and QVC. For the three and six months ended June 30, 2019, the Company recorded revenue in aggregate of approximately $12 million and $24 million, respectively, and for the three and six months ended June 30, 2018, the Company recorded revenue in aggregate of approximately $17 million and $33 million, respectively, from HSN and QVC as part of channel carriage fees and revenue sharing arrangements for home shopping sales made to customers in the Company’s footprint.

Dr. Malone and Mr. Steven Miron, a member of Charter’s board of directors, also serve on the board of directors of Discovery Communications, Inc., (“Discovery”). The Company is aware that Dr. Malone owns 1.2% of the series A common stock, 93.6% of the series B common stock and 2.6% of the series C common stock of Discovery and has a 28.2% voting interest in Discovery for the election of directors. The Company is aware that Advance/Newhouse Programming Partnership (“A/N PP”), an affiliate of A/N and of which Mr. Miron is the CEO, owns 100% of the Series A-1 preferred stock of Discovery and 100% of the Series C-1 preferred stock of Discovery and has a 24.1% voting interest for the election of directors. A/N PP has the right to appoint three directors out of a total of eleven directors to Discovery’s board to be elected by the holders of Discovery’s Series A-1 preferred stock. The Company purchases programming from Discovery pursuant to agreements entered into prior to Dr. Malone and Mr. Miron joining Charter’s board of directors. Based on publicly available information, the Company does not believe that Discovery would currently be considered a related party. The amount paid in the aggregate to Discovery represents less than 2% of total operating costs and expenses for the three and six months ended June 30, 2019 and 2018.

Equity Investments

The Company and its parent companies have agreements with certain equity investees pursuant to which the Company has made or received related party transaction payments. The Company and its parent companies recorded payments to equity investees totaling $81 million and $167 million during the three and six months ended June 30, 2019, respectively, and $86 million and $149 million during the three and six months ended June 30, 2018, respectively.

17. Contingencies

In August 2015, a purported stockholder of Charter, Matthew Sciabacucchi, filed a lawsuit in the Delaware Court of Chancery, on behalf of a putative class of Charter stockholders, challenging the transactions involving Charter, TWC, A/N, and Liberty Broadband announced by Charter on May 26, 2015. The lawsuit, which named as defendants Charter and its board of directors, alleged that the transactions resulted from breaches of fiduciary duty by Charter’s directors and that Liberty Broadband improperly benefited from the challenged transactions at the expense of other Charter stockholders. The lawsuit has proceeded to the discovery phase. Charter denies any liability, believes that it has substantial defenses, and intends to vigorously defend this lawsuit. Although Charter is unable to predict the outcome of this lawsuit, it does not expect the outcome will have a material effect on its operations, financial condition or cash flows.

The California Attorney General and the Alameda County, California District Attorney are investigating whether certain of Charter’s waste disposal policies, procedures and practices are in violation of the California Business and Professions Code and the California Health and Safety Code. That investigation was commenced in January 2014. A similar investigation involving TWC was initiated in February 2012. Charter is cooperating with these investigations. While the Company is unable to predict the outcome of these investigations, it does not expect that the outcome will have a material effect on its operations, financial condition, or cash flows.

On December 19, 2011, Sprint Communications Company L.P. (“Sprint”) filed a complaint in the U.S. District Court for the District of Kansas alleging that TWC infringed certain U.S. patents purportedly relating to Voice over Internet Protocol (“VoIP”) services. At the trial, the jury returned a verdict of $140 million against TWC and further concluded that TWC had willfully infringed Sprint’s patents. The court subsequently declined to enhance the damage award as a result of the purported willful infringement and awarded Sprint an additional $6 million, representing pre-judgment interest on the damages award. The Company appealed the case to the United States Court of Appeals for the Federal Circuit where the Company lost the appeal. The Company expects to petition the Supreme Court as the Company continues to pursue its appeal rights. In addition to its appeal, the Company continues to pursue indemnity from one of its vendors and has brought a patent suit against Sprint (TC Tech, LLC v. Sprint) in the U.S. District Court for the District of Delaware implicating Sprint's LTE technology. The expected financial impact of the Sprint verdict has been reflected in the Company's financial statements. The Company does not expect that the outcome of this litigation will have a material adverse effect on its operations or financial condition. The ultimate outcomes of the appeal of the Sprint Kansas case, the pursuit of indemnity against the Company's vendor and the TC Tech litigation cannot be predicted.

Sprint filed a second suit against Charter on December 2, 2017 in the United States District Court for the District of Delaware. This suit alleges infringement of 15 patents related to the Company's provision of VoIP services (ten of which were asserted against Legacy TWC in the matter described above). Charter is vigorously defending this case. While the Company is unable to predict the outcome of this Sprint suit, it does not expect that this litigation will have a material effect on its operations, financial condition, or cash flows.

Sprint filed a third suit against Charter on May 17, 2018 in the United States District Court for the Eastern District of Virginia. This suit alleges infringement of three patents related to the Company's video on demand services. The Company is vigorously defending this case. The parties recently agreed to transfer this case to the United States District Court for the District of Delaware. While the Company is unable to predict the outcome of this litigation, it does not expect that this litigation will have a material effect on its operations, financial condition, or cash flows.

The New York Public Service Commission (the "PSC"), the regulator for the cable and telecommunication industries in New York (whose Chair directs and operates as the Chief Executive Officer of the New York State Department of Public Service ("DPS")), issued multiple orders against Charter including two orders on July 27, 2018 relating to the agreement by which the PSC approved Charter's merger with TWC. One order determined that Charter had failed to satisfy one of its merger conditions by not extending its high speed broadband network according to the PSC's interpretation of which homes and businesses Charter built to should count. The order further directed the initiation of a court action to impose financial and other penalties on Charter which the PSC initiated. The second order purported to rescind the PSC's January 2016 approval of Charter's merger with TWC's New York operations and directed Charter to submit a plan to effect an orderly transition to a successor provider or providers and for Charter to cease operations in New York within six months of the order which deadline was extended as the DPS and Charter negotiated a resolution of these matters.

On April 19, 2019, DPS and Charter jointly presented to the PSC a proposed settlement to resolve these disputes, and on July 11, 2019, the PSC approved the settlement. The settlement resolved all outstanding matters regarding these disputes. No penalties or forfeiture were assessed as a result of the agreement, and the Company was not found to have committed, nor did it admit to, any violation. The incremental operating and capital expenditures to be incurred by the Company to meet the buildout and other requirements of the settlement agreement will not have a material impact on the Company's consolidated financial condition, results of operations or liquidity.

In addition to the Sprint litigation described above, the Company and its parent companies are defendants or co-defendants in several additional lawsuits involving alleged infringement of various intellectual property relating to various aspects of their businesses. Other industry participants are also defendants in certain of these cases. In the event that a court ultimately determines that the Company infringes on any intellectual property, the Company may be subject to substantial damages and/or an injunction that could require the Company or its vendors to modify certain products and services the Company offers to its subscribers, as well as negotiate royalty or license agreements with respect to the intellectual property at issue. While the Company believes the lawsuits are without merit and intends to defend the actions vigorously, no assurance can be given that any adverse outcome would not be material to the Company's consolidated financial condition, results of operations, or liquidity. The Company cannot predict the outcome of any such claims nor can it reasonably estimate a range of possible loss.

The Company and its parent companies are party to other lawsuits, claims and regulatory inquiries that arise in the ordinary course of conducting their business. The ultimate outcome of these other legal matters pending against the Company cannot be predicted, and although such lawsuits and claims are not expected individually to have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity, such lawsuits could have, in the aggregate, a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity. Whether or not the Company ultimately prevails in any particular lawsuit or claim, litigation can be time consuming and costly and injure the Company's reputation.

(dollars in millions, except where indicated)

18. Employee Benefit Plans

The Company sponsors two qualified defined benefit pension plans, the TWC Pension Plan and the TWC Union Pension Plan, that provide pension benefits to a majority of employees who were employed by TWC before the acquisition of TWC. The Company also provides a nonqualified defined benefit pension plan for certain employees under the TWC Excess Pension Plan.

Pension benefits are based on formulas that reflect the employees' years of service and compensation during their employment period. Actuarial gains or losses are changes in the amount of either the benefit obligation or the fair value of plan assets resulting from experience different from that assumed or from changes in assumptions. The Company has elected to follow a mark-to-market pension accounting policy for recording the actuarial gains or losses annually during the fourth quarter, or earlier if a remeasurement event occurs during an interim period. No future compensation increases or future service will be credited to participants of the pension plans given the frozen nature of the plans.

The components of net periodic pension benefit (costs) for the three and six months ended June 30, 2019 and 2018 are recorded in other pension benefits, net in the consolidated statements of operations and consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Interest cost	$ (32)	$ (32)	$ (64)	$ (64)
Expected return on plan assets	41	52	82	104
Net periodic pension benefits	$ 9	$ 20	$ 18	$ 40

The Company made no cash contributions to the qualified pension plans during the three and six months ended June 30, 2019 and 2018; however, the Company may make discretionary cash contributions to the qualified pension plans in the future. Such contributions will be dependent on a variety of factors, including current and expected interest rates, asset performance, the funded status of the qualified pension plans and management's judgment. For the nonqualified unfunded pension plan, the Company will continue to make contributions during 2019 to the extent benefits are paid.

19. Recently Issued Accounting Standards

Accounting Standards Adopted January 1, 2018

ASU No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09")

Upon adoption of ASU 2014-09, the Company recorded a cumulative-effect adjustment which included an increase to total member's equity of $49 million as of January 1, 2018.

Accounting Standards Adopted January 1, 2019

ASU No. 2016-02, Leases ("ASU 2016-02")

In February 2016, the FASB issued ASU 2016-02 which requires lessees to recognize almost all leases on their balance sheet as a lease asset and a lease liability. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Classification is based on criteria largely similar to the criteria applied under legacy lease accounting, but without explicit bright lines.

The Company adopted ASU 2016-02 using the modified retrospective approach with a cumulative-effect adjustment recorded at the beginning of the period of adoption (January 1, 2019). Therefore, the Company recognized and measured operating leases on the consolidated balance sheet without revising comparative period information or disclosure. At transition, the Company elected the package of practical expedients permitted under the transition guidance within the standard, which eliminates the reassessment of past leases, classification and initial direct costs. The Company did not elect to use hindsight to reassess lease terms or impairment at the adoption date. The Company elected the land easements practical expedient which allows the Company not to retrospectively treat land easements as leases; however, must apply lease accounting prospectively to land easements if they meet the definition of a lease.

The Company implemented internal controls and key system functionality to enable the preparation of financial information on adoption. The new standard resulted in the recording of leased assets and lease liabilities for the Company's operating leases of approximately $963 million and $990 million, respectively, as of January 1, 2019. The difference between the leased assets and lease liabilities primarily represents the prior year end deferred rent liabilities balance, resulting from historical straight-lining of operating leases, which was effectively reclassified upon adoption to reduce the measurement of the leased assets. The adoption of the standard did not have an impact on the Company's member's equity and is not anticipated to have an impact on the Company's results from operations and cash flows. The adoption of the new standard resulted in additional interim and annual lease disclosures. See Note 5 for interim lease disclosures for the three and six months ended June 30, 2019.

Accounting Standards Not Yet Adopted

ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments ("ASU 2016-13")

In June 2016, the FASB issued ASU 2016-13, which requires a financial asset (or a group of financial assets) measured at amortized cost basis to be assessed for impairment under the current expected credit loss model rather than an incurred loss model. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU 2016-13 will be effective for interim and annual periods beginning after December 15, 2019 (January 1, 2020 for the Company). Early adoption is permitted. The Company is currently in the process of evaluating the impact the adoption of ASU 2016-13 will have on its consolidated financial statements.

ASU No. 2017-04, Simplifying the Test for Goodwill Impairment ("ASU 2017-04")

In January 2017, the FASB issued ASU 2017-04 which eliminates step two from the goodwill impairment test. Under the new standard, to the extent the carrying amount of a reporting unit exceeds the fair value, the Company will record an impairment charge equal to the difference. The impairment charge recognized should not exceed the total amount of goodwill allocated to the reporting unit. ASU 2017-04 will be effective for interim and annual periods beginning after December 15, 2019 (January 1, 2020 for the Company). Early adoption is permitted. The Company does not expect the adoption of ASU 2017-04 to have a material impact on its consolidated financial statements.

ASU No. 2018-15, Customer's Accounting for Implementation Costs in a Cloud Computing Arrangement That Is a Service Contract ("ASU 2018-15")

In August 2018, the FASB issued ASU 2018-15 which requires upfront implementation costs incurred in a cloud computing arrangement (or hosting arrangement) that is a service contract to be amortized to hosting expense over the term of the arrangement. ASU 2018-15 will be effective for interim and annual periods beginning after December 15, 2019 (January 1, 2020 for the Company). Early adoption is permitted. The Company is currently in the process of evaluating the impact that the adoption of ASU 2018-15 will have on its consolidated financial statements.

ASU No. 2019-02, Improvements to Accounting for Costs of Films and License Agreements for Program Materials ("ASU 2019-02")

In March 2019, the FASB issued ASU 2019-02 which aligns the accounting for production costs of an episodic television series with the accounting for production costs of films regarding cost capitalization, amortization, impairment, presentation and disclosure. ASU 2019-02 will be effective for interim and annual periods beginning after December 15, 2019 (January 1, 2020 for the Company). Early adoption is permitted. The Company is currently in the process of evaluating the impact that the adoption of ASU 2019-02 will have on its consolidated financial statements.

20. Consolidating Schedules

Each of Charter Operating, TWC, LLC, TWCE, CCO Holdings and certain subsidiaries jointly, severally, fully and unconditionally guarantee the outstanding debt securities of the others (other than the CCO Holdings notes) on an unsecured senior basis and the condensed consolidating financial information has been prepared and presented pursuant to SEC Regulation S-X Rule 3-10, *Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered.* Certain Charter Operating subsidiaries that are regulated telephone entities only become guarantor subsidiaries upon approval by regulators. This information is not intended to present the financial position, results of operations and cash flows of the individual companies or groups of companies in accordance with generally accepted accounting principles. The “Charter Operating and Restricted Subsidiaries” column is presented to comply with the terms of the Credit Agreement.

Comprehensive income equaled net income for the six months ended June 30, 2019. Condensed consolidating financial statements as of June 30, 2019 and December 31, 2018 and for the six months ended June 30, 2019 and 2018 follow.

(dollars in millions, except where indicated)

CCO Holdings, LLC and Subsidiaries
Condensed Consolidating Balance Sheets
As of June 30, 2019

	Guarantor Subsidiaries			
	CCO Holdings	Charter Operating and Restricted Subsidiaries	Eliminations	CCO Holdings Consolidated
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ —	$ 498	$ —	$ 498
Accounts receivable, net	—	2,035	—	2,035
Receivables from related party	51	—	(51)	—
Prepaid expenses and other current assets	—	525	—	525
Total current assets	51	3,058	(51)	3,058
INVESTMENT IN CABLE PROPERTIES:				
Property, plant and equipment, net	—	33,876	—	33,876
Customer relationships, net	—	8,461	—	8,461
Franchises	—	67,319	—	67,319
Goodwill	—	29,554	—	29,554
Total investment in cable properties, net	—	139,210	—	139,210
INVESTMENT IN SUBSIDIARIES	78,628	—	(78,628)	—
OPERATING LEASE RIGHT-OF-USE ASSETS	—	989	—	989
LOANS RECEIVABLE – RELATED PARTY	545	—	(545)	—
OTHER NONCURRENT ASSETS	—	1,390	—	1,390
Total assets	$ 79,224	$ 144,647	$ (79,224)	$ 144,647
LIABILITIES AND MEMBER'S EQUITY				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	$ 287	$ 6,965	$ —	$ 7,252
Operating lease liabilities	—	178	—	178
Payables to related party	—	486	(51)	435
Current portion of long-term debt	—	1,522	—	1,522
Total current liabilities	287	9,151	(51)	9,387
LONG-TERM DEBT	19,485	52,299	—	71,784
LOANS PAYABLE – RELATED PARTY	—	1,504	(545)	959
DEFERRED INCOME TAXES	—	52	—	52
LONG-TERM OPERATING LEASE LIABILITIES	—	851	—	851
OTHER LONG-TERM LIABILITIES	—	2,138	—	2,138
MEMBER'S EQUITY				
Controlling interest	59,452	78,628	(78,628)	59,452
Noncontrolling interests	—	24	—	24
Total member's equity	59,452	78,652	(78,628)	59,476
Total liabilities and member's equity	$ 79,224	$ 144,647	$ (79,224)	$ 144,647

(dollars in millions, except where indicated)

CCO Holdings, LLC and Subsidiaries
Condensed Consolidating Balance Sheets
As of December 31, 2018

	Guarantor Subsidiaries			
	CCO Holdings	Charter Operating and Restricted Subsidiaries	Eliminations	CCO Holdings Consolidated
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ —	$ 300	$ —	$ 300
Accounts receivable, net	—	1,699	—	1,699
Receivables from related party	57	—	(57)	—
Prepaid expenses and other current assets	—	400	—	400
Total current assets	57	2,399	(57)	2,399
INVESTMENT IN CABLE PROPERTIES:				
Property, plant and equipment, net	—	34,658	—	34,658
Customer relationships, net	—	9,565	—	9,565
Franchises	—	67,319	—	67,319
Goodwill	—	29,554	—	29,554
Total investment in cable properties, net	—	141,096	—	141,096
INVESTMENT IN SUBSIDIARIES	78,960	—	(78,960)	—
LOANS RECEIVABLE – RELATED PARTY	526	—	(526)	—
OTHER NONCURRENT ASSETS	—	1,403	—	1,403
Total assets	$ 79,543	$ 144,898	$ (79,543)	$ 144,898
LIABILITIES AND MEMBER'S EQUITY				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	$ 283	$ 7,620	$ —	$ 7,903
Payables to related party	—	602	(57)	545
Current portion of long-term debt	—	3,290	—	3,290
Total current liabilities	283	11,512	(57)	11,738
LONG-TERM DEBT	18,730	50,807	—	69,537
LOANS PAYABLE – RELATED PARTY	—	1,451	(526)	925
OTHER LONG-TERM LIABILITIES	—	2,144	—	2,144
MEMBER'S EQUITY				
Controlling interest	60,530	78,960	(78,960)	60,530
Noncontrolling interests	—	24	—	24
Total member's equity	60,530	78,984	(78,960)	60,554
Total liabilities and member's equity	$ 79,543	$ 144,898	$ (79,543)	$ 144,898

(dollars in millions, except where indicated)

CCO Holdings, LLC and Subsidiaries

Condensed Consolidating Statements of Operations

For the six months ended June 30, 2019

	Guarantor Subsidiaries			
	CCO Holdings	Charter Operating and Restricted Subsidiaries	Eliminations	CCO Holdings Consolidated
REVENUES	$ —	$ 22,548	$ —	$ 22,548
COSTS AND EXPENSES:				
Operating costs and expenses (exclusive of items shown separately below)	—	14,500	—	14,500
Depreciation and amortization	—	5,042	—	5,042
Other operating expense, net	—	59	—	59
	—	19,601	—	19,601
Income from operations	—	2,947	—	2,947
OTHER INCOME (EXPENSES):				
Interest expense, net	(511)	(1,381)	—	(1,892)
Loss on financial instruments, net	—	(82)	—	(82)
Other pension benefits, net	—	18	—	18
Other expense, net	—	(126)	—	(126)
Equity in income of subsidiaries	1,299	—	(1,299)	—
	788	(1,571)	(1,299)	(2,082)
Income before income taxes	788	1,376	(1,299)	865
Income tax expense	—	(76)	—	(76)
Consolidated net income	788	1,300	(1,299)	789
Less: Net income attributable to noncontrolling interests	—	(1)	—	(1)
Net income	$ 788	$ 1,299	$ (1,299)	$ 788

(dollars in millions, except where indicated)

CCO Holdings, LLC and Subsidiaries

Condensed Consolidating Statements of Operations

For the six months ended June 30, 2018

		Guarantor Subsidiaries		
	CCO Holdings	Charter Operating and Restricted Subsidiaries	Eliminations	CCO Holdings Consolidated
REVENUES	$ —	$ 21,503	$ —	$ 21,503
COSTS AND EXPENSES:				
Operating costs and expenses (exclusive of items shown separately below)	—	13,724	—	13,724
Depreciation and amortization	—	5,297	—	5,297
Other operating expenses, net	—	94	—	94
	—	19,115	—	19,115
Income from operations	—	2,388	—	2,388
OTHER INCOME (EXPENSES):				
Interest expense, net	(508)	(1,238)	—	(1,746)
Loss on financial instruments, net	—	(12)	—	(12)
Other pension benefits, net	—	40	—	40
Other expense, net	—	(45)	—	(45)
Equity in income of subsidiaries	1,127	—	(1,127)	—
	619	(1,255)	(1,127)	(1,763)
Income before income taxes	619	1,133	(1,127)	625
Income tax expense	—	(5)	—	(5)
Consolidated net income	619	1,128	(1,127)	620
Less: Net income attributable to noncontrolling interests	—	(1)	—	(1)
Net income	$ 619	$ 1,127	$ (1,127)	$ 619

CCO Holdings, LLC and Subsidiaries

Condensed Consolidating Statements of Comprehensive Income

For the six months ended June 30, 2018

		Guarantor Subsidiaries		
	CCO Holdings	Charter Operating and Restricted Subsidiaries	Eliminations	CCO Holdings Consolidated
Consolidated net income	$ 619	$ 1,128	$ (1,127)	$ 620
Foreign currency translation adjustment	(1)	(1)	1	(1)
Consolidated comprehensive income	$ 618	$ 1,127	$ (1,126)	$ 619
Less: Comprehensive income attributable to noncontrolling interests	—	(1)	—	(1)
Comprehensive income	$ 618	$ 1,126	$ (1,126)	$ 618

(dollars in millions, except where indicated)

CCO Holdings, LLC and Subsidiaries
Condensed Consolidating Statements of Cash Flows
For the six months ended June 30, 2019

	Guarantor Subsidiaries			
	CCO Holdings	Charter Operating and Restricted Subsidiaries	Eliminations	CCO Holdings Consolidated
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (509)	$ 5,919	$ —	$ 5,410
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	—	(3,262)	—	(3,262)
Change in accrued expenses related to capital expenditures	—	(428)	—	(428)
Contributions to subsidiaries	(792)	—	792	—
Distributions from subsidiaries	2,591	—	(2,591)	—
Other, net	—	80	—	80
Net cash flows from investing activities	1,799	(3,610)	(1,799)	(3,610)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of long-term debt	750	9,964	—	10,714
Repayments of long-term debt	—	(10,123)	—	(10,123)
Payments for debt issuance costs	(7)	(25)	—	(32)
Distributions to noncontrolling interest	—	(1)	—	(1)
Contributions from parent	51	792	(792)	51
Distributions to parent	(2,084)	(2,591)	2,591	(2,084)
Other, net	—	(127)	—	(127)
Net cash flows from financing activities	(1,290)	(2,111)	1,799	(1,602)
NET INCREASE IN CASH AND CASH EQUIVALENTS	—	198	—	198
CASH AND CASH EQUIVALENTS, beginning of period	—	300	—	300
CASH AND CASH EQUIVALENTS, end of period	$ —	$ 498	$ —	$ 498

(dollars in millions, except where indicated)

CCO Holdings, LLC and Subsidiaries

Condensed Consolidating Statements of Cash Flows

For the six months ended June 30, 2018

	Guarantor Subsidiaries			
	CCO Holdings	Charter Operating and Restricted Subsidiaries	Eliminations	CCO Holdings Consolidated
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (502)	$ 6,218	$ —	$ 5,716
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	—	(4,574)	—	(4,574)
Change in accrued expenses related to capital expenditures	—	(466)	—	(466)
Contribution to subsidiaries	(77)	—	77	—
Distributions from subsidiaries	3,158	—	(3,158)	—
Other, net	—	(55)	—	(55)
Net cash flows from investing activities	3,081	(5,095)	(3,081)	(5,095)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of long-term debt	—	5,628	—	5,628
Repayments of long-term debt	—	(3,500)	—	(3,500)
Borrowings of loans payable - related parties	—	7	—	7
Payments for debt issuance costs	—	(17)	—	(17)
Distributions to noncontrolling interest	—	(1)	—	(1)
Contributions from parent	77	77	(77)	77
Distributions to parent	(2,656)	(3,158)	3,158	(2,656)
Other, net	—	(5)	—	(5)
Net cash flows from financing activities	(2,579)	(969)	3,081	(467)
NET INCREASE IN CASH AND CASH EQUIVALENTS	—	154	—	154
CASH AND CASH EQUIVALENTS, beginning of period	—	330	—	330
CASH AND CASH EQUIVALENTS, end of period	$ —	$ 484	$ —	$ 484

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

General

CCO Holdings, LLC ("CCO Holdings") is a holding company whose principal assets are the equity interests in its operating subsidiaries. CCO Holdings is a direct subsidiary of CCH I Holdings, LLC ("CCH I"), which is an indirect subsidiary of Charter Communications, Inc. ("Charter"), Charter Communications Holdings, LLC ("Charter Holdings") and Spectrum Management Holding Company, LLC ("Spectrum Holdings"). The consolidated financial statements include the accounts of CCO Holdings and all of its subsidiaries where the underlying operations reside. All significant intercompany accounts and transactions among consolidated entities have been eliminated.

We are the second largest cable operator in the United States and a leading broadband communications services company providing video, Internet and voice services to approximately 28.7 million residential and small and medium business customers at June 30, 2019. We also recently launched our mobile service to residential customers. In addition, we sell video and online advertising inventory to local, regional and national advertising customers and fiber-delivered communications and managed information technology solutions to larger enterprise customers. We also own and operate regional sports networks and local sports, news and community channels.

Overview

Since the close of the acquisitions in 2016 of Time Warner Cable Inc. ("TWC") and Bright House Networks, LLC ("Bright House"), we have been focused on integrating the practices and systems of Charter, TWC and Bright House, centralizing our product, marketing, sales and service operations, insourcing the TWC and Bright House workforces in our call centers and field operations, and rolling out Spectrum pricing and packaging ("SPP") to TWC and Bright House service areas. In 2018, we completed the conversion of the remaining TWC and Bright House analog service areas to an all-digital platform enabling us to deliver more HD channels and higher Internet speeds. Nearly all of our footprint is now all-digital. Additionally, we have doubled minimum Internet speeds to 200 Mbps in a number of service areas at no additional cost to new and existing SPP Internet customers. In 2018, leveraging DOCSIS 3.1 technology, we also expanded the availability of our Spectrum Internet Gig service to nearly all of our footprint. With our integration nearly complete, we are focused on operating as one company, with a unified product, marketing and service infrastructure, which will allow us to accelerate growth and innovate faster. With significantly less customer-facing change expected in 2019, we are focused on deploying superior products and service with minimal service disruptions. We expect our growing levels of productivity will result in lower customer churn, longer customer lifetimes and improved productivity with fewer customer calls and truck rolls per customer relationship. With over 80% of our residential customer base now in SPP packages, we expect additional benefits from lower legacy package migration activity, combined with SPP customers rolling off introductory pricing and modest price increases. Further, we expect to continue to drive customer relationship growth through sales of video, Internet, wireline voice and mobile packaged services. Additionally, with the completion of our all-digital conversion, roll-out of DOCSIS 3.1 technology across our footprint, and the integration of TWC and Bright House mostly complete, we have experienced a meaningful reduction in capital expenditures in dollars and as a percent of revenue in 2019 and expect these reductions to continue for the remainder of 2019.

At the end of the second quarter of 2018, we launched our mobile product, Spectrum Mobile, under our mobile virtual network operator ("MVNO") reseller agreement with Verizon. Our Spectrum Mobile service is offered to our residential customers subscribing to our Internet service and runs on Verizon's mobile network combined with Spectrum WiFi. We began mass market advertising of Spectrum Mobile in September 2018. In the second quarter of 2019, we expanded our Spectrum Mobile bring-your-own-device ("BYOD") program across all sales channels to include a broader set of devices. We believe our BYOD program will lower the cost for consumers of switching mobile carriers, and will reduce the short-term working capital impact of selling new mobile devices on installment plans. We expect these developments to contribute to the growth of our mobile business. We also continue to explore ways to manage our own network and drive even more mobile traffic to our network through our continued deployment of in-home and outdoor WiFi hotspots. In addition, we plan to use our WiFi network in conjunction with additional unlicensed or licensed spectrum to improve network performance and expand capacity to offer consumers a superior mobile service at a lower total cost to us. Further, we have experimental wireless licenses from the Federal Communications Commission that we are utilizing to test next generation mobile services in several service areas around the country. In 2018, we invested in our mobile operating partnership with Comcast Corporation, with a portion representing our equity investment in the partnership and a portion representing a prepayment of software development and related services for the mobile back office platform. As the partnership delivers services, we will reflect such services as capital or operating expense depending on the nature of services delivered.

We believe Spectrum-branded mobile services will drive higher sales of our core products, create longer customer lives and increase profitability and cash flow over time. As a result of growth costs associated with our new mobile product line, we cannot be certain that we will be able to grow revenues or maintain our margins at recent historical rates. During the three and six months ended June 30, 2019, our mobile product line increased revenues by $158 million and $298 million, respectively, reduced Adjusted EBITDA by approximately $119 million and $239 million, respectively, and reduced free cash flow by approximately $297 million and $588 million, respectively. During the three and six months ended June 30, 2018, our mobile product line reduced Adjusted EBITDA by approximately $33 million and $41 million, respectively, and reduced free cash flow by $116 million and $141 million, respectively. As we continue to launch our mobile service and scale the business, we expect continued negative impacts to Adjusted EBITDA, as well as negative working capital impacts from the timing of device-related cash flows when we provide the handset or tablet to customers pursuant to equipment installment plans.

We realized revenue, Adjusted EBITDA and income from operations during the periods presented as follows (in millions; all percentages are calculated using whole numbers. Minor differences may exist due to rounding):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Revenues	$ 11,345	$ 10,850	4.6%	$ 22,548	$ 21,503	4.9%
Adjusted EBITDA	$ 4,169	$ 4,038	3.2%	$ 8,215	$ 7,921	3.7%
Income from operations	$ 1,529	$ 1,349	13.2%	$ 2,947	$ 2,388	23.4%

Adjusted EBITDA is defined as net income attributable to CCO Holdings member plus net income attributable to noncontrolling interest, net interest expense, income taxes, depreciation and amortization, stock compensation expense, (gain) loss on financial instruments, net, other pension (benefits) costs, other (income) expense, net and other operating (income) expenses, such as special charges and (gain) loss on sale or retirement of assets. See "—Use of Adjusted EBITDA and Free Cash Flow" for further information on Adjusted EBITDA and free cash flow.

Growth in total revenue, Adjusted EBITDA and income from operations for the three and six months ended June 30, 2019 compared to the corresponding prior periods was primarily due to growth in our residential Internet and commercial business customers. Adjusted EBITDA growth was additionally affected by increases in operating costs and expenses, primarily programming and mobile. Income from operations was also affected by a decrease in depreciation and amortization expense.

The following table summarizes our customer statistics for video, Internet and voice as of June 30, 2019 and 2018 (in thousands except per customer data and footnotes).

	Approximate as of June 30, 2019 [a]	Approximate as of June 30, 2018 [a]
Customer Relationships [b]		
Residential	26,755	25,871
Small and Medium Business	1,902	1,750
Total Customer Relationships	28,657	27,621
Residential Primary Service Units ("PSU")		
Video	15,802	16,206
Internet	24,244	23,070
Voice	9,808	10,325
Monthly Residential Revenue per Residential Customer [c]	$ 112.20	$ 111.88
Small and Medium Business PSUs		
Video	518	476
Internet	1,701	1,552
Voice	1,097	994
Monthly Small and Medium Business Revenue per Customer [d]	$ 170.42	$ 176.96
Enterprise PSUs [e]	258	235

(a) Customer statistics do not include mobile. We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, as of June 30, 2019 and 2018, customers include approximately 152,900 and 227,500 customers, respectively, whose accounts were over 60 days past due, approximately 13,800 and 19,300 customers, respectively, whose accounts were over 90 days past due and approximately 15,800 and 13,200 customers, respectively, whose accounts were over 120 days past due.

(b) Customer relationships include the number of customers that receive one or more levels of service, encompassing video, Internet and voice services, without regard to which service(s) such customers receive. Customers who reside in residential multiple dwelling units ("MDUs") and that are billed under bulk contracts are counted based on the number of billed units within each bulk MDU. Total customer relationships exclude enterprise customer relationships.

(c) Monthly residential revenue per residential customer is calculated as total residential video, Internet and voice quarterly revenue divided by three divided by average residential customer relationships during the respective quarter.

(d) Monthly small and medium business revenue per customer is calculated as total small and medium business quarterly revenue divided by three divided by average small and medium business customer relationships during the respective quarter.

(e) Enterprise PSUs represent the aggregate number of fiber service offerings counting each separate service offering as an individual PSU.

Critical Accounting Policies and Estimates

For a discussion of our critical accounting policies and the means by which we develop estimates therefore, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2018 Annual Report on Form 10-K. There have been no material changes from the critical accounting policies described in our Form 10-K.

Results of Operations

The following table sets forth the consolidated statements of operations for the periods presented (dollars in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues	$ 11,345	$ 10,850	$ 22,548	$ 21,503
Costs and Expenses:				
Operating costs and expenses (exclusive of items shown separately below)	7,258	6,882	14,500	13,724
Depreciation and amortization	2,495	2,590	5,042	5,297
Other operating expenses, net	63	29	59	94
	9,816	9,501	19,601	19,115
Income from operations	1,529	1,349	2,947	2,388
Other Income (Expenses):				
Interest expense, net	(955)	(888)	(1,892)	(1,746)
Loss on financial instruments, net	(119)	(75)	(82)	(12)
Other pension benefits, net	9	20	18	40
Other expense, net	(16)	(43)	(126)	(45)
	(1,081)	(986)	(2,082)	(1,763)
Income before income taxes	448	363	865	625
Income tax expense	(9)	(7)	(76)	(5)
Consolidated net income	439	356	789	620
Less: Net income attributable to noncontrolling interests	(1)	(1)	(1)	(1)
Net income attributable to CCO Holdings member	$ 438	$ 355	$ 788	$ 619

Revenues. Total revenues grew $495 million and $1.0 billion for the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 primarily due to increases in the number of residential Internet and commercial business customers, price adjustments as well as the launch of our mobile service in the second half of 2018 offset by a decrease in video customers.

Revenues by service offering were as follows (dollars in millions; all percentages are calculated using whole numbers. Minor differences may exist due to rounding):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Video	$ 4,391	$ 4,363	0.6 %	$ 8,775	$ 8,655	1.4 %
Internet	4,103	3,770	8.8 %	8,127	7,477	8.7 %
Voice	489	531	(7.8)%	993	1,087	(8.6)%
Residential revenue	8,983	8,664	3.7 %	17,895	17,219	3.9 %
Small and medium business	963	915	5.3 %	1,908	1,815	5.1 %
Enterprise	652	627	4.0 %	1,295	1,249	3.7 %
Commercial revenue	1,615	1,542	4.7 %	3,203	3,064	4.5 %
Advertising sales	395	427	(7.5)%	740	783	(5.5)%
Mobile	158	—	NM	298	—	NM
Other	194	217	(10.6)%	412	437	(5.5)%
	$ 11,345	$ 10,850	4.6 %	$ 22,548	$ 21,503	4.9 %

Video revenues consist primarily of revenues from basic and digital video services provided to our residential customers, as well as franchise fees, equipment service fees and video installation revenue. The increase in video revenues is attributable to the following (dollars in millions):

	Three months ended June 30, 2019 compared to three months ended June 30, 2018 Increase / (Decrease)	Six months ended June 30, 2019 compared to six months ended June 30, 2018 Increase / (Decrease)
Increase related to rate changes	$ 149	$ 330
Decrease in average residential video customers	(97)	(181)
Decrease in video on demand and pay-per-view	(24)	(29)
	$ 28	$ 120

The increases related to rate changes were primarily due to price adjustments including annual increases and promotional roll-off. Residential video customers decreased by 404,000 from June 30, 2018 to June 30, 2019.

The increase in Internet revenues from our residential customers is attributable to the following (dollars in millions):

	Three months ended June 30, 2019 compared to three months ended June 30, 2018 Increase / (Decrease)	Six months ended June 30, 2019 compared to six months ended June 30, 2018 Increase / (Decrease)
Increase in average residential Internet customers	$ 192	$ 378
Increase related to rate changes	141	272
	$ 333	$ 650

Residential Internet customers grew by 1,174,000 customers from June 30, 2018 to June 30, 2019. The increases related to rate changes were primarily due to price adjustments including promotional roll-off.

The decrease in voice revenues from our residential customers is attributable to the following (dollars in millions):

	Three months ended June 30, 2019 compared to three months ended June 30, 2018 Increase / (Decrease)	Six months ended June 30, 2019 compared to six months ended June 30, 2018 Increase / (Decrease)
Decrease related to rate changes	$ (20)	$ (55)
Decrease in average residential voice customers	(22)	(39)
	$ (42)	$ (94)

The decreases related to rate changes were primarily due to value-based pricing. Residential wireline voice customers decreased by 517,000 customers from June 30, 2018 to June 30, 2019.

The increase in small and medium business commercial revenues is attributable to the following (dollars in millions):

	Three months ended June 30, 2019 compared to three months ended June 30, 2018 Increase / (Decrease)	Six months ended June 30, 2019 compared to six months ended June 30, 2018 Increase / (Decrease)
Increase in small and medium business customers	$ 85	$ 175
Decrease related to rate changes	(37)	(82)
	$ 48	$ 93

Small and medium business customers grew by 152,000 from June 30, 2018 to June 30, 2019. The decreases related to rate changes were primarily due to value-based pricing related to SPP, net of promotional roll-off and price adjustments.

Enterprise revenues increased $25 million and $46 million during the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 primarily due to growth in customers. Enterprise PSUs increased 23,000 from June 30, 2018 to June 30, 2019.

Advertising sales revenues consist primarily of revenues from commercial advertising customers, programmers and other vendors, as well as local cable and advertising on regional sports and news channels. Advertising sales revenues decreased $32 million and $43 million during the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 primarily due to a decrease in political revenue.

During the three and six months ended June 30, 2019, mobile revenues represent approximately $111 million and $225 million, respectively, of device revenues and approximately $47 million and $73 million of service revenues related to our mobile service, respectively. As of June 30, 2019, we had 518,000 mobile lines.

Other revenues consist of revenue from regional sports and news channels (excluding intercompany charges or advertising sales on those channels), home shopping, late payment fees, wire maintenance fees and other miscellaneous revenues. Other revenues decreased $23 million and $25 million during the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 primarily due to a decrease in late payment fees and home shopping revenue offset by the sale of video devices.

Operating costs and expenses. The increases in our operating costs and expenses, exclusive of items shown separately in the consolidated statements of operations, are attributable to the following (dollars in millions):

	Three months ended June 30, 2019 compared to three months ended June 30, 2018 Increase / (Decrease)	Six months ended June 30, 2019 compared to six months ended June 30, 2018 Increase / (Decrease)
Programming	$ 24	$ 137
Regulatory, connectivity and produced content	37	65
Costs to service customers	(17)	(49)
Marketing	(1)	(17)
Mobile	244	496
Other	89	144
	$ 376	$ 776

Programming costs were approximately $2.8 billion and $5.7 billion for the three and six months ended June 30, 2019, respectively, representing 39% of total operating costs and expenses for both time periods, and $2.8 billion and $5.6 billion for the three and six months ended June 30, 2018, respectively, representing 41% of total operating costs and expenses for both time periods. Programming costs consist primarily of costs paid to programmers for basic, digital, premium, VOD, and pay-per-view programming. The increase in programming costs is primarily a result of contractual rate adjustments, including renewals and increases in amounts paid for retransmission consents partly offset by lower video customers and pay-per-view. We expect programming expenses will continue to increase due to a variety of factors, including annual increases imposed by programmers with additional selling power as a result of media consolidation, increased demands by owners of broadcast stations for payment for retransmission consent or linking carriage of other services to retransmission consent, and additional programming, particularly new services. We have been unable to fully pass these increases on to our customers and do not expect to be able to do so in the future without a potential loss of customers.

Regulatory, connectivity and produced content increased $37 million and $65 million during the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 primarily due to costs of video devices sold to customers, higher regulatory pass-through fees and original programming costs.

Costs to service customers decreased $17 million and $49 million during the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 primarily due to a decrease in bad debt expense.

Mobile costs of $277 million and $537 million for the three and six months ended June 30, 2019, respectively, and $33 million and $41 million for the three and six months ended June 30, 2018, respectively, were comprised of mobile device costs, mobile launch costs and mobile service and operating costs.

The increase in other expense is attributable to the following (dollars in millions):

	Three months ended June 30, 2019 compared to three months ended June 30, 2018 Increase / (Decrease)	Six months ended June 30, 2019 compared to six months ended June 30, 2018 Increase / (Decrease)
Corporate costs	$ 23	$ 39
Property tax and insurance	19	39
Stock compensation expense	12	25
Enterprise	8	14
Advertising sales expense	10	5
Other	17	22
	$ 89	$ 144

Depreciation and amortization. Depreciation and amortization expense decreased by $95 million and $255 million during the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018. The decrease was primarily due to a decrease in depreciation and amortization as certain assets acquired from TWC and Bright House become fully depreciated offset by an increase in depreciation as a result of more recent capital expenditures.

Other operating expenses, net. The changes in other operating expenses, net are attributable to the following (dollars in millions):

	Three months ended June 30, 2019 compared to three months ended June 30, 2018 Increase / (Decrease)	Six months ended June 30, 2019 compared to six months ended June 30, 2018 Increase / (Decrease)
Special charges, net	$ (11)	$ (86)
(Gain) loss on sale of assets, net	45	51
	$ 34	$ (35)

Special charges, net decreased during the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 primarily due to a decrease in merger and restructuring costs. The six months ended June 30, 2018 also included a $22 million charge related to a withdrawal liability from a multiemployer pension plan. Loss on sale of assets, net increased primarily due to a $41 million impairment of non-strategic assets recognized during the three and six months ended June 30, 2019. See Note 12 to the accompanying consolidated financial statements contained in "Item 1. Financial Statements."

Interest expense, net. Net interest expense increased by $67 million and $146 million for the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 primarily as a result of an increase in weighted average debt outstanding of approximately $1.2 billion and $2.4 billion, respectively, primarily due to the issuance of notes throughout 2018 and 2019 for general corporate purposes including distributions to parent companies for stock buybacks and debt repayments.

Loss on financial instruments, net. We recorded losses on financial instruments of $119 million and $82 million during the three and six months ended June 30, 2019, respectively, and $75 million and $12 million during the three and six months ended June 30, 2018, respectively. Gains and losses on financial instruments are primarily recognized due to changes in the fair value of our cross-currency derivative instruments and the foreign currency remeasurement of the fixed-rate British pound sterling denominated notes (the "Sterling Notes") into U.S. dollars. For more information, see Note 8 to the accompanying consolidated financial statements contained in "Item 1. Financial Statements."

Other pension benefits, net. Net other pension benefits decreased by $11 million and $22 million during the three and six months ended June 30, 2019, respectively, compared to the corresponding periods in 2018 due to lower expected return on plan assets. For more information, see Note 18 to the accompanying consolidated financial statements contained in "Item 1. Financial Statements."

Other expense, net. Other expense, net primarily represents equity losses on our equity investments. Other expense, net also includes impairments on equity investments of approximately $11 million and $121 million during the three and six months ended June 30, 2019, respectively, and $39 million and $58 million during the three and six months ended June 30, 2018, respectively.

Income tax expense. We recognized income tax expense of $9 million and $76 million for the three and six months ended June 30, 2019, respectively, and $7 million and $5 million for the three and six months ended June 30, 2018, respectively. Income tax expense increased year over year primarily as a result of an internal entity simplification and higher pretax income. For more information, see Note 14 to the accompanying consolidated financial statements contained in "Item 1. Financial Statements."

Net income attributable to noncontrolling interest. Net income attributable to noncontrolling interest relates to our third-party interest in CV of Viera, LLP, a consolidated joint venture in a small cable system in Florida.

Net income attributable to CCO Holdings member. Net income attributable to CCO Holdings member increased from $355 million and $619 million for the three and six months ended June 30, 2018, respectively, to $438 million and $788 million for the three and six months ended June 30, 2019, respectively, primarily as a result of the factors described above.

Use of Adjusted EBITDA and Free Cash Flow

We use certain measures that are not defined by GAAP to evaluate various aspects of our business. Adjusted EBITDA and free cash flow are non-GAAP financial measures and should be considered in addition to, not as a substitute for, net income attributable to CCO Holdings member and net cash flows from operating activities reported in accordance with GAAP. These terms, as defined by us, may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA and free cash flow are reconciled to net income attributable to Charter shareholders and net cash flows from operating activities, respectively, below.

Adjusted EBITDA eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our businesses as well as other non-cash or special items, and is unaffected by our capital structure or investment activities. However, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and our cash cost of financing. These costs are evaluated through other financial measures.

Free cash flow is defined as net cash flows from operating activities, less capital expenditures and changes in accrued expenses related to capital expenditures.

Management and Charter's board of directors use Adjusted EBITDA and free cash flow to assess our performance and our ability to service our debt, fund operations and make additional investments with internally generated funds. In addition, Adjusted EBITDA generally correlates to the leverage ratio calculation under our credit facilities or outstanding notes to determine compliance with the covenants contained in the facilities and notes (all such documents have been previously filed with the Securities and Exchange Commission (the "SEC")). For the purpose of calculating compliance with leverage covenants, we use Adjusted EBITDA, as presented, excluding certain expenses paid by our operating subsidiaries to other Charter entities. Our debt covenants refer to these expenses as management fees, which were $299 million and $599 million for the three and six months ended June 30, 2019, respectively, and $265 million and $538 million for the three and six months ended June 30, 2018, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income attributable to CCO Holdings member	$ 438	$ 355	$ 788	$ 619
Plus: Net income attributable to noncontrolling interest	1	1	1	1
Interest expense, net	955	888	1,892	1,746
Income tax expense	9	7	76	5
Depreciation and amortization	2,495	2,590	5,042	5,297
Stock compensation expense	82	70	167	142
Loss on financial instruments, net	119	75	82	12
Other pension benefits, net	(9)	(20)	(18)	(40)
Other, net	79	72	185	139
Adjusted EBITDA	$ 4,169	$ 4,038	$ 8,215	$ 7,921
Net cash flows from operating activities	$ 2,723	$ 3,080	$ 5,410	$ 5,716
Less: Purchases of property, plant and equipment	(1,597)	(2,391)	(3,262)	(4,574)
Change in accrued expenses related to capital expenditures	(52)	99	(428)	(466)
Free cash flow	$ 1,074	$ 788	$ 1,720	$ 676

Liquidity and Capital Resources

Introduction

This section contains a discussion of our liquidity and capital resources, including a discussion of our cash position, sources and uses of cash, access to credit facilities and other financing sources, historical financing activities, cash needs, capital expenditures and outstanding debt.

Recent Events

In May 2019, CCO Holdings, LLC and CCO Holdings Capital Corp. jointly issued $750 million aggregate principal amount of 5.375% senior unsecured notes due 2029 at par and in July 2019, an additional $750 million of the same series of notes were issued at a price of 102.000% of the aggregate principal amount. The net proceeds were used to pay related fees and expenses and for general corporate purposes, including distributions to the Company's parent companies to fund buybacks of Charter Class A common stock and Charter Holdings common units as well as repaying certain indebtedness.

In July 2019, Charter Operating and Charter Communications Operating Capital Corp. jointly issued $1.25 billion aggregate principal amount of 5.125% senior notes due 2049 at a price of 99.880% of the aggregate principal amount. The net proceeds will be used to pay related fees and expenses and for general corporate purposes, including distributions to the Company's parent companies to fund potential buybacks of Charter Class A common stock and Charter Holdings common units as well as repaying certain indebtedness, which may include Time Warner Cable, LLC's 5.000% senior notes due 2020.

Overview of Our Contractual Obligations and Liquidity

We have significant amounts of debt. The principal amount of our debt as of June 30, 2019 was $72.6 billion, consisting of $11.2 billion of credit facility debt, $41.8 billion of investment grade senior secured notes and $19.7 billion of high-yield senior unsecured notes. Our business requires significant cash to fund principal and interest payments on our debt.

Our projected cash needs and projected sources of liquidity depend upon, among other things, our actual results, and the timing and amount of our expenditures. As we launch our new mobile services, we expect an initial funding period to grow a new product as well as negative working capital impacts from the timing of device-related cash flows when we provide the handset or tablet to customers pursuant to equipment installment plans. Free cash flow was $1.1 billion and $1.7 billion for the three and six months ended June 30, 2019, respectively, and $788 million and $676 million for the three and six months ended June 30, 2018, respectively. The increase in free cash flow for the three and six months ended June 30, 2019 compared to the corresponding prior periods is primarily due to a decrease in capital expenditures and higher Adjusted EBITDA offset by an unfavorable change in working capital as well as an increase in cash paid for interest. As of June 30, 2019, the amount available under our credit facilities was approximately $4.1 billion and cash on hand was approximately $498 million. We expect to utilize free cash flow, cash on hand and availability under our credit facilities as well as future refinancing transactions to further extend the maturities of our obligations. The timing and terms of any refinancing transactions will be subject to market conditions among other considerations. Additionally, we may, from time to time, and depending on market conditions and other factors, use cash on hand and the proceeds from securities offerings or other borrowings to retire our debt through open market purchases, privately negotiated purchases, tender offers or redemption provisions. We believe we have sufficient liquidity from cash on hand, free cash flow and Charter Operating's revolving credit facility as well as access to the capital markets to fund our projected cash needs.

We continue to evaluate the deployment of our cash on hand and anticipated future free cash flow including to invest in our business growth and other strategic opportunities, including mergers and acquisitions as well as distributions to our parent companies for stock repurchases and dividends. Charter's target leverage remains at 4 to 4.5 times, and up to 3.5 times at the Charter Operating level. Our leverage was 4.4 as of June 30, 2019. We expect to increase the total amount of our indebtedness to maintain leverage within Charter's target leverage range. During the three and six months ended June 30, 2019, Charter purchased approximately 2.2 million and 4.9 million shares, respectively, of Charter Class A common stock for approximately $837 million and $1.7 billion, respectively, and during the three and six months ended June 30, 2018, Charter purchased 5.7 million and 7.3 million shares, respectively, of Charter Class A common stock for approximately $1.7 billion and $2.2 billion, respectively.

In December 2017, Charter and A/N entered into an amendment to the letter agreement (the "Letter Agreement") that requires A/N to sell to Charter or to Charter Holdings, on a monthly basis, a number of shares of Charter Class A common stock or Charter Holdings common units that represents a pro rata participation by A/N and its affiliates in any repurchases of shares of Charter Class A common stock from persons other than A/N effected by Charter during the immediately preceding calendar month, at a purchase price equal to the average price paid by Charter for the shares repurchased from persons other than A/N during such immediately preceding calendar month. A/N and Charter both have the right to terminate or suspend the pro rata repurchase arrangement on a prospective basis. Charter Holdings purchased from A/N 0.4 million and 0.8 million Charter Holdings common units at an average price per unit of $358.21 and $338.12, or $161 million and $254 million, during the three and six months ended June 30, 2019, respectively, and 0.7 million and 1.1 million Charter Holdings common units at an average price per unit of $295.31 and $312.38, or $201 million and $328 million, during the three and six months ended June 30, 2018, respectively.

As of June 30, 2019, Charter had remaining board authority to purchase an additional $769 million of Charter's Class A common stock and/or Charter Holdings common units. Charter is not obligated to acquire any particular amount of common stock, and the timing of any purchases that may occur cannot be predicted and will largely depend on market conditions and other potential uses of capital. Purchases may include open market purchases, tender offers or negotiated transactions. To the extent such purchases occur, CCO Holdings and its subsidiaries are the primary source for funding such purchases through distributions to their parent companies.

As possible acquisitions, swaps or dispositions arise, we actively review them against our objectives including, among other considerations, improving the operational efficiency, geographic clustering of assets, product development or technology capabilities of our business and achieving appropriate return targets, and we may participate to the extent we believe these possibilities present attractive opportunities. However, there can be no assurance that we will actually complete any acquisitions, dispositions or system swaps, or that any such transactions will be material to our operations or results.

Free Cash Flow

Free cash flow increased $286 million and $1.0 billion during the three and six months ended June 30, 2019 compared to the corresponding prior periods in 2018 due to the following (dollars in millions).

	Three months ended June 30, 2019 compared to three months ended June 30, 2018 Increase / (Decrease)	Six months ended June 30, 2019 compared to six months ended June 30, 2018 Increase / (Decrease)
Decrease in capital expenditures	$ 794	$ 1,312
Increase in Adjusted EBITDA	131	294
Changes in working capital, excluding change in accrued interest	(481)	(518)
Increase in cash paid for interest, net	(167)	(116)
Other, net	9	72
	$ 286	$ 1,044

Free cash flow was reduced by $297 million and $588 million during the three and six months ended June 30, 2019, respectively, and $116 million and $141 million during the three and six months ended June 30, 2018, respectively, due to mobile with impacts negatively affecting working capital, capital expenditures and Adjusted EBITDA.

Limitations on Distributions

Distributions by us and our subsidiaries to a parent company for payment of principal on parent company notes are restricted under indentures and credit facilities governing our indebtedness, unless there is no default under the applicable indenture and credit facilities, and unless each applicable subsidiary's leverage ratio test is met at the time of such distribution. As of June 30, 2019, there was no default under any of these indentures or credit facilities, and each subsidiary met its applicable leverage ratio tests based on June 30, 2019 financial results. There can be no assurance that they will satisfy these tests at the time of the contemplated distribution. Distributions by Charter Operating for payment of principal on parent company notes are further restricted by the covenants in its credit facilities.

However, without regard to leverage, during any calendar year or any portion thereof during which the borrower is a flow-through entity for tax purposes, and so long as no event of default exists, the borrower may make distributions to the equity interests of the borrower in an amount sufficient to make permitted tax payments.

In addition to the limitation on distributions under the various indentures, distributions by our subsidiaries may be limited by applicable law, including the Delaware Limited Liability Company Act, under which our subsidiaries may only make distributions if they have "surplus" as defined in the act.

Historical Operating, Investing, and Financing Activities

Cash, Cash Equivalents and Restricted Cash. We held $498 million and $300 million in cash and cash equivalents as of June 30, 2019 and December 31, 2018, respectively.

Operating Activities. Net cash provided by operating activities decreased $306 million during the six months ended June 30, 2019 compared to the six months ended June 30, 2018, primarily due to changes in working capital, excluding the change in accrued interest and accrued expenses related to capital expenditures, that used $556 million more cash as a result of a one-time impact from a standardization of bill cycles and lower payables offset by an increase in Adjusted EBITDA of $294 million.

Investing Activities. Net cash used in investing activities was $3.6 billion and $5.1 billion for the six months ended June 30, 2019 and 2018, respectively. The decrease in cash used was primarily due to a decrease in capital expenditures.

Financing Activities. Net cash used in financing activities was $1.6 billion and $467 million for the six months ended June 30, 2019 and 2018, respectively. The increase in cash used was primarily due to a decrease in the amount by which borrowings of long-term debt exceeded repayments offset by a decrease in distributions to parent companies.

Capital Expenditures

We have significant ongoing capital expenditure requirements. Capital expenditures were $1.6 billion and $3.3 billion for the three and six months ended June 30, 2019, respectively, and $2.4 billion and $4.6 billion for the three and six months ended June 30, 2018, respectively. The decrease was primarily due to lower customer premise equipment expenditures as a result of the completion of our all-digital conversion and fewer SPP migrations, lower scalable infrastructure as a result of the completion of the roll-out of DOCSIS 3.1 technology across our footprint in 2018 and lower support spending with the substantial completion of the integration of TWC and Bright House. See the table below for more details.

We currently expect capital expenditures, excluding capital expenditures related to mobile, to be approximately $7 billion in 2019, versus $8.9 billion in 2018. The actual amount of our capital expenditures in 2019 will depend on a number of factors including further spend related to product development and growth rates of both our residential and commercial businesses.

Our capital expenditures are funded primarily from cash flows from operating activities and borrowings on our credit facility. In addition, our accrued liabilities related to capital expenditures decreased by $428 million and $466 million for the six months ended June 30, 2019 and 2018, respectively.

The following tables present our major capital expenditures categories in accordance with National Cable and Telecommunications Association ("NCTA") disclosure guidelines for the three and six months ended June 30, 2019 and 2018. These disclosure guidelines are not required disclosures under GAAP, nor do they impact our accounting for capital expenditures under GAAP (dollars in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Customer premise equipment (a)	$ 492	$ 828	$ 1,057	$ 1,762
Scalable infrastructure (b)	223	587	520	1,073
Line extensions (c)	363	353	684	644
Upgrade/rebuild (d)	155	190	286	332
Support capital (e)	364	433	715	763
Total capital expenditures	$ 1,597	$ 2,391	$ 3,262	$ 4,574
Capital expenditures included in total related to:				
Mobile	$ 93	$ 53	$ 181	$ 70
Commercial services	$ 324	$ 309	$ 629	$ 592
All-digital transition	$ —	$ 88	$ —	$ 274

(a) Customer premise equipment includes costs incurred at the customer residence to secure new customers and revenue generating units, including customer installation costs and customer premise equipment (e.g., set-top boxes and cable modems).
(b) Scalable infrastructure includes costs not related to customer premise equipment, to secure growth of new customers and revenue generating units, or provide service enhancements (e.g., headend equipment).
(c) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).
(d) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.
(e) Support capital includes costs associated with the replacement or enhancement of non-network assets due to technological and physical obsolescence (e.g., non-network equipment, land, buildings and vehicles).

Recently Issued Accounting Standards

See Note 19 to the accompanying consolidated financial statements contained in "Item 1. Financial Statements" for a discussion of recently issued accounting standards.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk.***

We use derivative instruments to manage foreign exchange risk on the Sterling Notes, and do not hold or issue derivative instruments for speculative trading purposes.

Cross-currency derivative instruments are used to effectively convert £1.275 billion aggregate principal amount of fixed-rate British pound sterling denominated debt, including annual interest payments and the payment of principal at maturity, to fixed-rate U.S. dollar denominated debt. The cross-currency derivative instruments have maturities of June 2031 and July 2042. We are required to post collateral on the cross-currency derivative instruments when such instruments are in a liability position. In April 2019, we entered into a collateral holiday agreement for 60% of both the 2031 and 2042 cross-currency swaps, which eliminates the requirement to post collateral for three years, as well as a ten year collateral cap on the remaining 40% of the cross-currency swaps which limits the required collateral posting on that 40% of the cross-currency swaps to $150 million. For more information, see Note 8 to the accompanying consolidated financial statements contained in “Item 1. Financial Statements.”

As of June 30, 2019 and December 31, 2018, the weighted average interest rate on credit facility debt was approximately 4.1% and 4.3%, respectively, and the weighted average interest rate on the senior notes was approximately 5.4% and 5.6%, respectively, resulting in a blended weighted average interest rate of 5.2% and 5.4%, respectively. The interest rate on approximately 83% and 85% of the total principal amount of our debt was effectively fixed as of June 30, 2019 and December 31, 2018, respectively.

The table set forth below summarizes the fair values and contract terms of financial instruments subject to interest rate risk maintained by us as of June 30, 2019 (dollars in millions).

	2019	2020	2021	2022	2023	Thereafter	Total	Fair Value
Debt:								
Fixed-Rate	$ —	$ 3,500	$ 2,200	$ 4,250	$ 4,150	$ 46,419	$ 60,519	$ 65,215
Average Interest Rate	—%	4.19%	4.32%	4.70%	5.85%	5.63%	5.45%	
Variable Rate	$ 143	$ 286	$ 286	$ 286	$ 566	$ 10,500	$ 12,067	$ 12,030
Average Interest Rate	3.46%	3.23%	3.57%	3.86%	3.93%	4.27%	4.13%	

Interest rates on variable-rate debt are estimated using the average implied forward LIBOR for the year of maturity based on the yield curve in effect at June 30, 2019 including applicable bank spread.

Item 4. ***Controls and Procedures.***

As of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our design and operation of disclosure controls and procedures with respect to the information generated for use in this quarterly report. The evaluation was based upon reports and certifications provided by a number of executives. Based on, and as of the date of that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective to provide reasonable assurances that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon the evaluation, we believe that our controls provide such reasonable assurances.

During the quarter ended June 30, 2019, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings.***

Our Annual Report on Form 10-K for the year ended December 31, 2018 includes “Legal Proceedings” under Item 3 of Part I. Other than as described in Note 17 to the accompanying consolidated financial statements contained in “Item 1. Financial Statements,” there have been no material changes from the legal proceedings described in our Form 10-K.

Item 1A. ***Risk Factors.***

Our Annual Report on Form 10-K for the year ended December 31, 2018 includes "Risk Factors" under Item 1A of Part I. There have been no material changes from the updated risk factors described in our Form 10-K.

Item 5. ***Other Information.***

On January 29, 2019, Charter’s Board of Directors adopted the Charter Communications, Inc. 2019 Stock Incentive Plan (the “2019 Plan”). The 2019 Plan became effective on April 23, 2019 upon its approval by Charter’s stockholders at its Annual Meeting. The terms of the 2019 Plan are summarized in Charter’s proxy statement for the 2019 Annual Meeting. The forms of stock option agreement, restricted stock unit agreement and restricted stock agreement approved for grants under the 2019 Plan are attached as Exhibits 10.2, 10.3 and 10.4 to this report.

Item 6. ***Exhibits.***

See Exhibit Index.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, CCO Holdings, LLC and CCO Holdings Capital Corp. has duly caused this quarterly report to be signed on their behalf by the undersigned, thereunto duly authorized.

CCO HOLDINGS, LLC,
Registrant

By: /s/ Kevin D. Howard
Kevin D. Howard
Chief Accounting Officer and Controller

Date: July 30, 2019

CCO HOLDINGS CAPITAL CORP.
Registrant

By: /s/ Kevin D. Howard
Kevin D. Howard
Chief Accounting Officer and Controller

Date: July 30, 2019

Exhibit Index

Exhibit	Description
10.1	Charter Communications, Inc. 2019 Stock Incentive Plan (incorporated by reference to Annex A to the proxy statement for the Charter Communications, Inc. 2019 Annual Meeting of Stockholders filed March 14, 2019 (File No. 001-33664)).
10.2	Form of Nonqualified Stock Option Agreement under the Charter Communications, Inc. 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the quarterly report on Form 10-Q filed by Charter Communications, Inc. on July 26, 2019 (File No. 001-33664)).
10.3	Form of Restricted Stock Unit Agreement under the Charter Communications, Inc. 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the quarterly report on Form 10-Q filed by Charter Communications, Inc. on July 26, 2019 (File No. 001-33664)).
10.4	Form of Restricted Stock Agreement under the Charter Communications, Inc. 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to the quarterly report on Form 10-Q filed by Charter Communications, Inc. on July 26, 2019 (File No. 001-33664)).
10.5	Indenture, dated as of May 23, 2019, among CCO Holdings, LLC, CCO Holdings Capital Corp. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the current report on Form 8-K filed by Charter Communications, Inc. on May 30, 2019 (File No. 001-33664)).
10.6	First Supplemental Indenture, dated as of May 23, 2019, among CCO Holdings, LLC, CCO Holdings Capital Corp. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the current report on Form 8-K filed by Charter Communications, Inc. on May 30, 2019 (File No. 001-33664)).
10.7	Form of 5.375% Senior Notes due 2029 (included in Exhibit 10.5).
10.8	Exchange and Registration Rights Agreement, dated May 23, 2019, relating to the 5.375% Senior Notes due 2029, among CCO Holdings, LLC, CCO Holdings Capital Corp. and Deutsche Bank Securities Inc., as representative of the several Purchasers (as defined therein) (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed by Charter Communications, Inc. on May 30, 2019 (File No. 001-33664)).
10.9	Underwriting Agreement, dated as of June 25, 2019, among Charter Communications Operating, LLC, Charter Communications Operating Capital Corp., CCO Holdings, LLC, as parent guarantor, the subsidiary guarantors party thereto and Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, as representatives of the several underwriters named in Schedule I thereto (incorporated by reference to Exhibit 99.1 to the current report on Form 8-K filed by Charter Communications, Inc. on July 1, 2019 (File No. 001-33664)).
10.10	Fourteenth Supplemental Indenture, dated as of July 10, 2019, among Charter Communications Operating, LLC, Charter Communications Operating Capital Corp., as issuers, CCO Holdings, LLC, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent (incorporated by reference to Exhibit 4.5 to the current report on Form 8-K filed by Charter Communications, Inc. on July 10, 2019 (File No. 001-33664)).
10.11	Form of 5.125% Senior Secured Notes due 2049 (included in Exhibit 10.10 hereto).
10.12	Exchange and Registration Rights Agreement, dated July 10, 2019, relating to the 5.375% Senior Notes due 2029, among CCO Holdings, LLC, CCO Holdings Capital Corp. and Deutsche Bank Securities Inc., as representative of the several Purchasers (as defined therein) (incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed by Charter Communications, Inc. on July 10, 2019 (File No. 001-33664)).
31.1*	Certificate of Chief Executive Officer pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the under the Securities Exchange Act of 1934.
31.2*	Certificate of Chief Financial Officer pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934.
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
32.2*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).
101.INS**	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.

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* Filed herewith.

** This exhibit will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (15 U.S.C. 78r) or otherwise subject to the liability of that section. Such exhibit will not be deemed to be incorporated by reference into any filing under the Securities Act or Securities Exchange Act, except to the extent that the company specifically incorporates it by reference.

Exhibit 31.1

I, Thomas M. Rutledge, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CCO Holdings, LLC and CCO Holdings Capital Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2019

/s/ Thomas M. Rutledge

Thomas M. Rutledge
Chairman and Chief Executive Officer

Exhibit 31.2

I, Christopher L. Winfrey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CCO Holdings, LLC and CCO Holdings Capital Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 30, 2019

/s/ Christopher L. Winfrey

Christopher L. Winfrey
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS**

I, Thomas M. Rutledge, the Chairman and Chief Executive Officer of CCO Holdings, LLC and CCO Holdings Capital Corp. (the "Company") in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, the Company's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2019 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas M. Rutledge
Thomas M. Rutledge
Chairman and Chief Executive Officer
July 30, 2019

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS**

I, Christopher L. Winfrey, the Chief Financial Officer of CCO Holdings, LLC and CCO Holdings Capital Corp. (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, the Company's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2019 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher L. Winfrey
Christopher L. Winfrey
Chief Financial Officer
(Principal Financial Officer)
July 30, 2019