



**Built to Lead**

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GOVERNOR ANDREW M. CUOMO

**10TH PROPOSAL OF GOVERNOR CUOMO'S 2016 AGENDA: DRAMATICALLY EXPAND AND IMPROVE ACCESS TO HIGH-SPEED INTERNET STATEWIDE**

***Public Service Commission's conditions for the approval of the merger of Time Warner Cable and Charter Communications will dramatically improve broadband availability for millions of New Yorkers and lead to more than \$1 billion in direct investments and consumer benefits***

***Requires broadband speeds to double for more than two million customers by 2018, and increase six-fold by 2020***

***145,000 homes and businesses currently without broadband will be offered high-speed access***

***Affordable high speed program will be offered to low-income consumers; free connection and service offered to underserved community centers***

***Governor launches largest and most ambitious state broadband initiative in the nation to ensure every New Yorker has access to high-speed Internet by the end of 2018***

Governor Andrew M. Cuomo today unveiled the tenth signature proposal of his 2016 agenda: dramatically expand and improve access to high-speed Internet in communities statewide.

Earlier today, the New York State Public Service Commission voted to approve the merger of Time Warner Cable and Charter Communications, which will dramatically improve broadband availability for millions of New Yorkers and lead to more than \$1 billion in direct investments and consumer benefits. The Commission's merger requirements will deliver broadband speed upgrades to 100 Mbps statewide by the end of 2018, and 300 Mbps by the end of 2019. This benefits two million Upstate broadband customers. The highest speed offered by Time Warner Cable north of New York City is 50 Mbps so customers will experience significant speed upgrades.

The merger conditions further require that Charter offer high speed broadband to

145,000 unserved customers who currently have no high speed broadband at all.

Additionally, the state issued a \$500 million solicitation today for private sector partners to join the New NY Broadband Program, which will greatly expand Internet access in all regions of the state, with a focus on unserved and underserved areas. The program will deliver access to high-speed Internet to every New Yorker by the end of 2018.

“Access to high-speed Internet in New York shouldn’t be limited by your zip code,” **said Governor Cuomo**. “Broadband is crucial to driving growth, improving our education system, and connecting New Yorkers to the 21<sup>st</sup> century global economy – so ensuring that every household has access to high-speed Internet has never been more important. The merger of Time Warner Cable and Charter Communications will result in a historic investment in New York’s Internet landscape that improves quality, reliability, speed and affordability for all New Yorkers. Alongside our New NY Broadband Program, we are bridging the digital divide for underserved communities and guaranteeing our position as a national leader in opportunity, cutting-edge technology and innovation.”

Broadband is an essential component for creating and sustaining economic opportunity throughout New York State, by connecting businesses with consumers and markets around the globe. While New York’s broadband landscape has seen substantial improvements over the past four years, many households still lack access to high-speed Internet.

**Lieutenant Governor Kathleen C. Hochul said**, “New York State is leading the way by realizing Governor Cuomo’s vision of every New Yorker having access to high-speed Internet by 2018. By expanding coverage, increasing reliability and lowering costs for customers, we are changing the landscape of broadband in New York State.

**Audrey Zibelman, Chair of the Public Service Commission, said**, “The rapid evolution of technology spurred by the Internet has profoundly changed what we need from our cable and telecommunication providers. Technological convergence has occurred and the very essence of a world-class communications infrastructure in this state depends upon the strength of its broadband networks. This decision is a game-changer in the telecommunications arena.”

**Empire State Development President and CEO Howard Zemsky said**, “An investment in broadband is an investment in every New Yorker. Today, we will jump-start the Governor’s vision for broadband for all by first addressing the communities that need this investment most. We look forward to reviewing applications and their ideas on how to remove barriers to access and create viable, long-term solutions.”

The PSC order approving the merger of Time Warner Cable and Charter Communications, together with the New NY Broadband initiative, will significantly increase broadband availability for millions of New Yorkers across the state.

***Time Warner Cable-Charter Communications Merger***

In 2014, Governor Cuomo signed into law legislation that strengthened cable merger review standards. The law requires cable companies seeking merger approval to demonstrate to the PSC that the transaction is in the public interest. After five months of extensive review and significant public input pursuant to the terms of the 2014 statute, the PSC approved the merger of Time Warner Cable and Charter Communications with a comprehensive set of conditions, subject to further review by the Federal Communications Commission and the U.S. Department of Justice.

The merger provides New York State with approximately \$1.1 billion in direct investment and consumer benefits. Under the terms of the agreement, Charter Communications will improve high-speed broadband access in rural and urban communities, provide more low and moderately-priced Internet service packages to consumers and deliver free broadband Internet access to community centers in underserved areas.

Highlights of the decision include:

- **Increasing Internet speed to 300 Mbps [\$305 million value]**: The Commission will require Charter Communications to upgrade its system to deliver at least 100 Mbps statewide by the end of 2018, and 300 Mbps by the end of 2019. (Currently, the highest speed offered by Time Warner Cable north of New York City is 50 Mbps).
- **Expansion of Broadband to Unserved and Underserved Homes and Businesses [\$355 million value]**: The Commission will require Charter to install line extensions that will bring high-speed broadband to 145,000-plus unserved and underserved homes and businesses. These conditions will make 100 Mbps service available to virtually all customers in Time Warner's and Charter's current franchise areas.
- **Affordable High-Speed Broadband for Low-Income Customers [\$250 million value]**: The Commission will require Charter to create a new low-income broadband program with minimum speeds of 30 Mbps at \$14.99 available for 700,000 low-income households.
- **Pricing of Video and Stand Alone Broadband [\$125 million value]**: Charter will offer broadband products that will lower consumers' bills. Charter's business model provides all customers nationwide access to a standalone broadband product of 60 Mbps at \$59.99 a month. This provides a benefit to Time Warner customers currently subscribed to slower and more expensive products.
- **Customer Service Improvements [\$55 million value]**: The Commission will require Charter to invest \$50 million to improve customer service and achieve a 35 percent reduction in the rate of cable customer complaints in five years. Charter's failure to meet this goal will trigger up to \$5 million in additional investment.
- **Free Broadband Connections and Service to Community Centers in Underserved Areas**: The Commission will require to provide free connections and ongoing broadband service to 50 community centers such as schools, libraries and other locations serving the public in underserved areas.

- **Job Loss Prevention Provision for Customer Service Employees:** Charter must commit to no net job losses in customer-facing employees (e.g. at call centers and walk-in centers) in New York State for four years.
- **Most-Favored State Clause:** The Commission will require Charter to adhere to a most-favored State provision that requires it to ensure that its offered standalone products and services in New York must be equal to, or better than, any key commitments made or offerings in any other State.

### ***New NY Broadband Program***

The New NY Broadband initiative will invest \$500 million to deliver access to high-speed Internet to every New Yorker by the end of 2018. Today's solicitation reflects input from a Request for Information issued in 2015 that sought feedback and input from providers, elected officials, consumer groups and other relevant stakeholders.

The initiative is a public-private partnership that will bring "last-mile" broadband services to New Yorkers and significantly expand connectivity in the most remote regions of the state. Phase one of the RFP Grant Guidelines and Application Questions are now available on the New York State Broadband Program Office's [website](#).

Central components of the program include:

- New access to broadband at speeds of at least 100 Mbps; 25 Mbps in the most remote areas of the state.
- Public-private partnership with a required 50 percent match in private sector investment targeted across the program.
- High priority for projects that most improve broadband Internet access in underserved areas, including libraries and educational opportunity centers.
- Applications will be chosen through a "reverse-auction" process, which will award funding to projects bidders seeking the lowest state investment.
- Auctions to be held within each Regional Economic Development Council region to ensure statewide allocations of funding.

Applications may be submitted through the New York State Consolidated Funding Application Portal beginning Tuesday, March 1, 2016, and are due on Friday, April 15, 2016 at 4:30 p.m. Applicants must be able to complete projects by December 31, 2018. Subsequent rounds of funding will be announced throughout 2016.

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