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John B. Rhodes, Chair

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PSC Approves Settlement with Charter Communications

Charter Required to Expand High-Speed Broadband Network to 145,000 Residences and Businesses Entirely in Upstate New York

Charter Will Pay Extra \$12 Million to Further Expand Broadband Service to Additional Premises

ALBANY — The New York State Public Service Commission (Commission) today approved an agreement with Charter Communications Inc., known as Spectrum, to resolve disputes over the Commission’s network expansion condition that was contained in the Commission’s approval of the company’s merger with Time Warner Cable, Inc. in 2016. Under the terms of the agreement, Charter will expand its network to provide high-speed broadband service to 145,000 residences and businesses entirely in Upstate New York and will pay an additional \$12 million to expand broadband service to additional premises.

“Broadband is crucial to driving economic growth and opportunity, especially in communities that are currently unserved or underserved, and Charter needs to deliver broadband access for New Yorkers,” **said Commission Chair John B. Rhodes.** “Approval of this agreement enables the parties to move forward, without being hampered by the time and cost of litigation, to accomplish our important goals to expand access to high speed broadband. This settlement allows the parties to move forward to deliver broadband access to New Yorkers more swiftly and certainly.”

Under the terms of the settlement:

- Charter will complete the expansion of its existing network to pass 145,000 addresses entirely in Upstate New York. This expansion will not include New York City addresses, which the company had previously planned to include in an earlier buildout plan. To date, Charter has passed approximately 65,000 of the required 145,000 addresses. To comply with the settlement, the Department estimates that the company will invest more than \$600 million, more than double the public benefit value estimated by the Commission in its 2016 merger approval.
- Charter’s expansion will be completed by September 30, 2021, in accordance with a schedule providing frequent interim enforceable milestone requirements, with corresponding reporting and accountability.

- Charter will also pay \$12 million for additional broadband expansion projects at locations to be selected by the Department of Public Service and the New York State Broadband Program Office. Of the \$12 million payments, \$6 million will be administered by the New York State Broadband Program Office and \$6 million will be paid into an escrow fund for work that will be completed by Charter at the State's direction.

In 2016, the Commission issued an order conditionally approving the merger of Charter and Time Warner Cable, Inc. A dispute subsequently arose between Charter, and the Department of Public Service and the Public Service Commission, concerning the network expansion conditions imposed by the Commission on that approval.

Today's approved agreement resolves that dispute without any further litigation.

Comments were received from local elected officials, business groups, labor unions and individual members of the public. Comments supporting adoption of the settlement noted that it ensures all network expansion will be in Upstate New York and that it's a reasonable settlement of the issues in the proceeding.

Charter's New York customer base will benefit from the further deployment of Charter's video, telephone, and broadband network, on a schedule that Charter has agreed is achievable. However, the settlement includes consequences should Charter fail to meet those important milestones. The settlement provides stronger incentives for Charter to meet its future build out commitments in the form of \$2,800 payments to escrow for any missed targets on a per address basis.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 15-M-0388 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.