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GOVERNOR ANDREW M. CUOMO

GOVERNOR CUOMO ANNOUNCES \$72 MILLION SETTLEMENT WITH BROADBAND AND CABLE TV PROVIDER ALTICE OVER FAILURE TO ADEQUATELY PREPARE AND RESPOND TO TROPICAL STORM ISAIAS

Tropical Storm Isaias Left More Than 400,000 Altice Customers Without Service

Largest Settlement Ever for Failure to Follow Emergency Response Plan

Altice Required to Develop More Robust Storm Response Program and Enhance Communication and Coordination with Municipal and County Governments

Governor Andrew M. Cuomo today announced a nearly \$72 million settlement with Altice following the company's failure to adequately prepare for and restore broadband and cable television service after the August 2020 Tropical Storm Isaias left more than 400,000 Altice customers without service, some for as long as 14 days. Following the power and communication outages caused by the tropical storm, Governor Cuomo directed the Department of Public Service to immediately investigate the utilities' preparations and response to the storms. The \$72 million settlement is the largest ever in New York State for any company under Public Service Commission jurisdiction for failing to follow procedures related to an emergency response. As part of the settlement agreement, approved today by the Public Service Commission, Altice will be required to develop a more robust storm-response program and enhance communication and coordination with municipal and county governments.

"It is beyond unacceptable to leave hundreds of thousands of customers without the ability to access the Internet, especially during a time when so many people rely on broadband for work and school," **Governor Cuomo said.** "This settlement makes it clear that telecommunication companies in New York have an obligation to prepare for severe weather and to develop robust storm-response programs, and if they fail to adequately do that job we will hold them accountable and force them to change the way they do business."

On August 4, 2020, Tropical Storm Isaias struck New York, bringing strong winds and heavy rain that particularly impacted the Mid-Hudson Valley, New York City, and Long Island regions. The storm caused extensive damage to electric distribution and telecommunication infrastructures that, in turn, led to lengthy outages for a substantial number of New York utility customers, including more than 400,000 Altice customers. The very next day, Governor Cuomo directed the Department of Public Service to

investigate New York State's major electric utilities, telephone corporations and cable television companies following their slow and inadequate response to the storm. The Department of Financial Services supported the investigation with its extensive legal and forensic resources, allowing for a more timely and comprehensive review.

On February 11, 2021, the Commission received a detailed investigative report on Tropical Storm Isaias' impact on telephone and cable television networks and services. The report evaluated the preparation and restoration efforts of the service providers in affected areas and includes input from, and consideration of, recommendations by municipal leaders, emergency response agencies and customers. The report highlighted the need for modification to existing statutes or regulations to require the filing and annual updating of more robust emergency contingency plans, similar to those required of electric utilities, in order to improve the preparedness and response to future storms and other emergencies by major telephone and cable television companies.

The investigation found Altice had apparently failed to adhere to many significant aspects of its response plan and associated severe weather preparedness plan, which contributed to Altice's inability to timely restore service and effectively communicate to customers experiencing outages. The apparent violations involved include failure to make sufficient readiness plans and post-storm restoration, poor customer service and communications, and inadequate communication and coordination with government officials and electric utilities.

Public Service Commission Chair John B. Howard said, "The primary task of companies under Commission jurisdiction is to supply safe and adequate service to customers. A key component of that is for the companies to be prepared for a storm and to restore service as safely and as quickly as possible, and we will hold them accountable to do just that. With this agreement, Altice will ensure that costs to improve its reliability will not result in any increased costs to its customers."

Superintendent of Financial Services Linda A. Lacewell said, "New Yorkers have every right to expect reliable broadband services, especially during a time when so many of us are working remotely and thus need such services to do our jobs. This settlement not only provides a measure of financial recompense for consumers who suffered without services in the aftermath of Tropical Storm Isaias, but also requires Altice to make significant investments in hardening their systems to prevent future long-term storm outages. I thank the DPS leadership and staff for their hard work to resolve this matter for the benefit of the people during a difficult time."

Under the terms of the settlement agreement, Altice will spend \$68.54 million to improve the storm resiliency of their system and make other upgrades, without billing customers for the upgrades, and has provided \$3.4 million in credits to New York customers impacted by Tropical Storm Isaias.

The investments required by Altice include \$4.6 million toward a new state-of-the-art outage communication platform, the hiring of six additional storm recovery and service coordinators and a new full-time, post-storm remediation coordinator, and upgrades to Altice's Outage Notification Board.

The company will also spend \$63.94 million to improve the company's planning for and response to future severe weather events. Included within this category are upgrades to Altice's customer care-related infrastructure, including call center technology and digital programs, certain specified customer care initiatives to facilitate improved customer communications, and additional staffing and investment, including additional technicians and other investments to improve reliability of service in New York. The settlement agreement requires that the improvements be made within two years.

In addition to the \$3.4 million in customer credits and the \$68.54 million in action items, Altice has also agreed to undertake a series of programmatic, administrative, and policy "improvements" to its storm-related operations to improve the company's performance in planning for and recovering from future severe weather events. For example, Altice has agreed to work toward amending its contracts with certain third-party contractors to allow for greater certainty regarding the number of third-party contractor resources available during storm recovery.

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