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Audrey Zibelman, Chair

Contact:

James Denn | James.Denn@dps.ny.gov | (518) 474-7080

<http://www.dps.ny.gov>

<http://twitter.com/NYS DPS>

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Cablevision Sale Approved with Conditions to Increase Speed, Improve Reliability, Expand Broadband Access, Protect Jobs

Broadband Speeds Triple by 2017; Broadband Discounts for Approximately 600,000 Eligible Low-Income Families

ALBANY — The New York State Public Service Commission (Commission) today voted to approve the sale of Cablevision Systems Corp. to Altice N.V., a multinational cable television provider, with public interest conditions that the Commission estimates will provide \$243 million in benefits to New York consumers to upgrade the broadband infrastructure, create a new low-income broadband program, build out its network in unserved areas, and provide some \$40 million of additional benefits associated with Cablevision’s participation in a new federal broadband affordability program.

“As a result of Governor Andrew M. Cuomo’s strengthening of our oversight of the sale of cable companies, we were able to put in place rigorous conditions on the transaction to ensure it was in the best interest of customers and the State as a whole,” said Commission Chair Audrey Zibelman. “With our decision today, we will see a significant investment in New York’s communication landscape that improves quality, reliability, speed and affordability for Cablevision’s customers.”

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 Commission that the transaction is in the public interest. After six months of extensive review and significant public input, the Commission approved the sale with a comprehensive set of conditions.

With the decision, Altice will triple the speed of its network to 300 Mbps by the end of 2017, increase high-speed broadband access in rural and urban communities in its service territory, provide new low-income broadband offerings and deliver free broadband Internet access to 40 anchor institutions in unserved or underserved areas.

The company will also introduce new technology to serve its nearly 2 million customers more thoroughly and efficiently, and provide a robust storm-resiliency initiative for Long Island and the rest of its service territory. Importantly, the company will also maintain a strong customer-service workforce by committing to no layoffs for four years.

Decision Highlights:

- **Affordable High-Speed Broadband for Low-Income Customers [\$215 million value]:** The Commission will require Altice to create a new low-income broadband program with speeds of 30 Mbps at \$14.99 per month to serve low-income households receiving certain federal income assistance, estimated to be 600,000 households in the franchise area. The Commission will also require Cablevision to participate in the Federal Communication Commission's new modernized Lifeline program to further enhance broadband affordability, which the Commission estimates will produce in excess of \$40 million in affordability benefits.
- **Increasing Internet speed to 300 Mbps [\$20 million value]:** The Commission will require Altice to upgrade its system to deliver at least 300 Mbps by the end of 2017, tripling the current maximum speed of 101 Mbps. A faster broadband service is essential to meet evolving consumer demands and to keep the region economically competitive.
- **Stand-Alone Low-Cost Internet [\$4 million value]:** The Commission will require Altice to double the speed of its current, stand-alone low-cost internet package from 5 Mbps to 10 Mbps and continue to offer it, with a free digital antenna for over the air channels and free access to Wi-Fi hotspots at the current price of \$24.95 to new customers for two years and to existing users of the product for three years.
- **Network Build-Out [\$3 million value]:** Although Cablevision's service territory is largely built out to all customers within its franchise areas, the Commission will require Altice to complete the build out in the Town of Milan in Dutchess County. The Commission will also require Altice to bid for funding to build out the Barrier Islands and to create a \$2 million fund to cover some line extension costs for any remaining unserved or underserved homes or businesses in its service area.
- **Resiliency [\$1 million value]:** The Commission will require Altice during declared State and federal emergencies, to provide free Wi-Fi service to all, free access to news content, and to coordinate their restoration efforts with electric utilities. The Commission will also require Altice to submit a resiliency plan designed to improve its emergency response and readiness planning, outage reporting, pre-storm emergency communications and network planning to be shared, upon completion, with local governments. Finally, Altice, will be required to modernize its network by deploying fiber deeper into its network and streamlining its architecture in an equitable and non-discriminatory manner. This will make the entire network more robust, reliable and resilient.
- **Job Protection for Customer-Facing Employees:** For four years, Altice is prohibited from laying off, involuntarily reducing, or taking any action that is intended to reduce (excepting attrition and retirement incentives) any customer facing jobs (e.g., call centers or walk-in centers) in New York. In addition, the company is required to maintain, for two years, at least 14 walk-in centers in its New York footprint. Any closures or consolidations of walk-in centers may not cause any layoffs, involuntary reductions in workforce or have that effect.
- **Service Quality Protections:** The Commission will require Altice to ensure that service quality will remain consistent with current levels of service quality, as measured by repair calls per customer, and repair completion rate. The company will be required to report quarterly to the Department and will make investments of up to \$16 million per year in service quality improvements if service metric standards are not met. Such investments will be made by the parent company if Cablevision's debt leverage is above a certain ratio.

- **Free Broadband Connections and Service:** The Commission will require Altice to provide free broadband connections and ongoing service to 40 anchor institutions in unserved or underserved areas.
- **Training Internships and Scholarships:** The Commission will require Altice to establish training, internships and scholarships for science, technology, engineering and math students.
- **Most Favored State:** In order to ensure that New Yorkers gain the benefits of any other commitments, the Commission will require Altice to agree to a most favored state clause. If, in obtaining approval of the proposed transaction in other jurisdictions, Altice commits to more line extensions, faster broadband speeds, or standalone broadband pricing that is lower for the same or similar value than that offered in New York, or additional low-income eligibility, or any other public benefit, they should, within 30 days following such commitment, notify the Commission of its intent to provide those same benefits in New York at terms that are reasonably comparable to the other local, state or federal commitments.

The Commission has actively taken steps to improve the communications market in New York State. In January, the Commission approved 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, including doubling broadband speeds for more than two million customers by 2018.

Cablevision, based in Bethpage, Nassau County, has about 1.9 million voice, broadband and video customers in New York with more than 220 cable franchises in Long Island, New York City and the lower Hudson Valley. Altice is a multinational cable and telecommunications company with operations in Western Europe, Israel, the French Caribbean, the Dominican Republic and regions of the Indian Ocean. As part of its review, the Commission held five public forums attended by more than 250 people. The Commission's decision today addresses concerns raised by the public and interested stakeholders. The sale has already been approved by the Federal Communications Commission, the U.S. Department of Justice, and New York City. No further Commission action is required.

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-0647 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.