

**BEFORE THE  
NEW YORK PUBLIC SERVICE COMMISSION**

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Joint Petition of )

ALTICE, N.V. )

and )

CABLEVISION SYSTEMS AND AFFILIATES )

For Approval of a Holding Company Level )

Transfer of Control of Cablevision Lightpath, Inc. )

and Cablevision Cable Entities, and for )

Certain Financing Arrangements )

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Case 15-M-0647

**ALTICE USA  
BI-ANNUAL PROGRESS REPORT ON NETWORK  
MODERNIZATION AND RESPONSE TO OTHER  
INFORMATION REQUESTED BY COMMISSION STAFF**

Altice USA (“Altice” or the “Company”) respectfully submits this Bi-Annual Progress Report regarding the Company’s network modernization in compliance with the New York Public Service Commission (“Commission” or “PSC”) Ordering Clause V.A.1(a)(i) contained in Appendix A of its Order approving the merger of Altice, NV, and Cablevision Systems Corporation (“Merger Order”).<sup>1</sup> In addition, this Report also contains information responsive to data inquiries requested by Staff on Resiliency (Condition V.A.), Network Expansion (Condition I.B.) and Broadband Availability to Anchor Institutions (Condition II.A.2).

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<sup>1</sup> Case 15-M-0647 - *Joint Petition of Altice N.V. and Cablevision Systems Corporation and subsidiaries for Approval of a Holding Company Level Transfer of Control of Cablevision Lightpath, Inc. and Cablevision Cable Entities, and for Certain Financing Arrangements*, Order Granting Joint Petition Subject to Conditions, (Issued and Effective: June 15, 2016), (“Merger Order”).

## **BACKGROUND & SUMMARY**

On September 19, 2016, Altice filed its 90 Day Report and Implementation Plan, which included presentation of Altice's plans for network modernization. On October 19, 2016, Altice filed its Resiliency Plan outlining the Company's operational readiness to meet the Merger Order requirements regarding network resiliency and emergency response. The Company's progress on the items discussed in these prior filings is presented below. Also below are updates requested by staff on extension of the Altice network in response to requests from households and small businesses as well as the target list for free broadband to unserved and underserved Anchor Institutions.

## **NETWORK MODERNIZATION**

In its 90 Day Report, Altice described its fully digital, 860 MHz existing hybrid fiber coaxial network, which is consistently among industry leaders in key performance metrics, is highly reliable and which has ample "headroom" to support future applications.<sup>2</sup>

In its plans to deploy a fiber-to-the-home network, Altice is exceeding the Merger Order condition to modernize its network and also demonstrating the substantial public interest benefits of the transaction. Specifically, in November, Altice announced plans for "Generation Gigaspeed" – an ambitious initiative to construct a next-generation FTTH network across New York State and its U.S. footprint.<sup>3</sup>

Unlike other incumbent operators who are pursuing DOCSIS 3.1, Altice's plan for a FTTH network reflects a forward-thinking approach to "futureproofing" the network, to ensure Optimum New York broadband consumers and businesses will have access to the latest broadband technology and product offerings. This initiative reflects the Company's recognition

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<sup>2</sup> 90 Day Report at 8-9.

<sup>3</sup> Altice USA Unveils "Generation Gigaspeed", November 30, 2016 (attached as Exhibit 1).

of key consumer and product trends, including customers' ever increasing demand for faster broadband speeds, continued application and connected home development. It also reflects the benefits for New Yorkers of Altice's global expertise; Generation Gigaspeed will use the proven technology from Altice Labs already being deployed in France and Portugal. By driving fiber all the way to the customers' premises, the new architecture will necessarily result in a more efficient and robust network. The company has already started its five-year deployment schedule, and construction is under way in New York. Optimum customers in New York already enjoy a high performing network, and Generation Gigaspeed ensures that New York will stay at the forefront of broadband investment in the U.S.

### **NETWORK RESILIENCY**

Below summarizes the elements of the Resiliency Plan, along with relevant updates, where applicable.

- **Communications with Government:** Altice previewed with and received input from various local governments and Offices of Emergency Management ("OEMs") on its resiliency preparations and its detailed Severe Weather Preparedness Plan ("SWPP").

**Update:** In order to maintain a productive dialogue, and obtain additional feedback, Altice shared its most recent SWPP, updated at the end of 2016, with OEMs.

- **Non Customer Access to WiFi and News 12:** Non customers will be able to access the Optimum WiFi network and the hyperlocal weather and all other information available on News12.com during State-declared emergencies.

**Update:** WiFi and News 12 online access are both fully operational for non customers and were successfully deployed for the entirety of the State's declaration of a State of Emergency for the recent storm starting March 13. This successful deployment confirmed prior testing of "real world" operability in testing lab and various outdoor locations to ensure the integrity of the customer and non customer experience. Altice appreciates notification from Commission staff of State declaration/termination of a State of Emergency and respectfully requests flexibility – in

**consultation with staff -- to cease non customer access in instances where the State of Emergency lasts well beyond the duration of severe weather conditions, as was the case with the recent storm.**

- Customer Communications, Including Backup Battery for Modems: Optimum customers will continue to receive communications about storm preparation, outage status, and restoration plans by multiple means such as email, website, text and social media before, during, and after emergencies. These communications will include specifics on the availability for purchase of battery backups to provide backup power to cable modems.

**Update: Altice continues to provide the above capabilities.**

- Call Center Staffing: Altice will manage call center staffing for employees in the affected areas and ensure that backup customer service personnel in non affected areas are available in order to respond to customer inquiries.

**Update: Altice continues to provide the above capabilities, which were successfully deployed during the March 13/14 storm.**

- PSAs: Starting in November 2016, Altice will air Public Service Announcements featuring News 12 meteorologists on storm preparation/planning.

**Update: Altice created six PSAs regarding storm preparedness, three of which feature News 12 region-specific meteorologists in Long Island, Greater Hudson Valley and New York City,**



**The combined PSAs have run more than 5,000 times during November and December. The PSAs ran 2,700 times in February and will continue to run through the winter months. Commission staff have been provided links to view the PSAs.**

- Coordination With Utilities: Altice will make outage data available to electric utilities (at no charge during emergencies and pursuant to a commercial arrangement at other times) and otherwise continue to closely coordinate with power companies, to speed restoration of power and communications services to customers.





### **NETWORK EXPANSION**

Condition I.B.1 requires the Company to absorb up to \$5,000 per household unit or business of the customer's contribution-in-aid-of construction under Section 895.5 of the Commission's rules (CIAC) for line extension requests, up to a \$2M cap over four years. Although the filing for this condition is due annually, Staff requested that Altice provide information on requests for connection to the network since the date of closing (6/21/17), attached as Exhibit 2 (Confidential Treatment Requested). Exhibit 2 details the [REDACTED] in costs to extend the network to [REDACTED] households and small business units in New York State that Altice expended from June to February. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Pursuant to Staff requests, Altice will supplement the required annual filings with quarterly updates for the duration of the condition.

### **BROADBAND AVAILABILITY -- ANCHOR INSTITUTIONS**

Condition II.A. requires Altice to offer free broadband service to 40 Community Anchor institutions in unserved (download speeds up to 24.99 mbps) and underserved (25-99.9 mbps) or

[REDACTED]

low income communities. The condition also requires consultation with Department Staff and interested stakeholders.

Altice hereby supplements prior discussions with Department staff by providing the current targeted list for Anchor Locations, subject to change, attached as Confidential Exhibit 3. The Company is engaged in active conversations with many of these institutions at the present time, in conjunction with the rollout of the Low-Income Broadband Program subject to Condition II.B. Altice is installing these locations throughout the year, with completion expected no later than the end of 2017. [REDACTED]

[REDACTED]  
[REDACTED] Altice is seeking input from this list from interested stakeholders and would welcome input from Staff.

### **CONCLUSION**

Altice looks forward to continuing its partnership with the Commission in productive implementation of the Merger Order.

## Exhibit 1



**ALTICE USA UNVEILS "GENERATION GIGASPEED"  
A FULL-SCALE FIBER-TO-THE-HOME NETWORK INVESTMENT PLAN TO  
ENABLE 10 GIGABIT BROADBAND SPEEDS**

***Altice USA is the First Major U.S. Cable Provider to Announce Plans for  
Large-Scale Fiber-to-the-Home Deployment Across its Footprint***

**November 30, 2016** – Altice USA, the fourth largest U.S. cable company, today announced plans to invest further in the U.S. by building a next-generation fiber-to-the-home network capable of delivering broadband speeds of up to 10 Gbps across its footprint. Altice USA will extend fiber deeper into its existing hybrid fiber coax (HFC) network and leverage cutting-edge and proprietary technologies developed by Altice Labs, the company's global research and development arm, to create its state-of-the-art system. This full-scale initiative reflects Altice's investment in technology and innovation across the globe and reinforces its commitment to its Optimum and Suddenlink residential and business customers in the U.S.

Altice USA is the first major U.S. cable provider to announce a large-scale fiber deployment plan for its footprint. Altice USA is a subsidiary of Altice N.V. (Euronext: ATC, ATCB), a leading global telecommunications, media and entertainment company.

"Across the globe Altice has invested heavily in building state-of-the-art fiber-optic networks, and we are pleased to bring our expertise stateside to drive fiber deeper into our infrastructure for the benefit of our U.S. Optimum and Suddenlink customers," said **Dexter Goei, Altice USA Chairman and Chief Executive Officer**. "Today, we have a best-in-class network with incredibly fast speeds and quality service, and by taking immediate steps to create the fastest next-generation network, we will be positioned to support our customers' needs well into the future. Altice USA's 'Generation GigaSpeed' underscores our promise to accelerate investment in our network, sets the foundation for the delivery of next-generation services and enhancements for our customers, and is a testimony to the bright future of the U.S. telecommunications industry."

The company's five-year deployment schedule will begin in 2017, and the company expects to reach all of its Optimum footprint and most of its Suddenlink footprint during that timeframe. Initial rollout markets will be announced in the coming months. In addition to delivering a superior customer experience for the long term, the new architecture will result in a more efficient and robust network with a significant reduction in energy consumption. Altice expects to reinvest efficiency savings to support the buildout without a material change in its overall capital budget.

Since Altice USA's inception with the acquisition of Suddenlink followed by Cablevision/Optimum, the company has been aggressive in rolling out enhanced services to its customers, tripling internet speeds to up to 300 Mbps for residential customers and 350 Mbps for business customers in its Optimum footprint more than one year ahead of schedule. The company has also expanded 1 Gigabit broadband service to nearly half of Suddenlink's service area. In the Suddenlink footprint, the company continues to introduce an all-digital TV lineup and in the Optimum footprint, the company has extended its outdoor WiFi network and is expanding its business product portfolio.

Altice is a market leader in successfully deploying fiber in various international markets it serves. Altice France is on track to reach 22 million fiber homes by the end of 2022, and Altice Portugal will reach the milestone of 5.3 million fiber homes passed by the end of 2020 making Portugal the first European country entirely equipped with fiber.

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**About Altice USA** -- [www.alticeusa.com](http://www.alticeusa.com)

Altice USA, a subsidiary of Altice Group (Euronext: ATC, ATCB), is the fourth largest cable operator in the United States, delivering residential and business services to 4.6 million customers across 20 states. Providing high-quality products that keep customers connected, Altice USA (through its Optimum, Lightpath and Suddenlink brands) offers digital cable television, high-speed Internet, voice, WiFi and advertising services. To meet our customers' content and information needs, the company through News 12 also offers hyper-local news and programming created specifically for the communities we serve.

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**Exhibit 2**  
**(REDACTED)**

**Exhibit 3**  
**(REDACTED)**