



Town of Hillsdale
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March 27, 2018

Hon. Thomas P. DiNapoli
New York State Comptroller
110 State Street
Albany, NY 12236

Dear Comptroller DiNapoli:

The undersigned are, respectively, the Town Supervisor of Hillsdale, New York and the Chair of the Hillsdale Broadband Committee. We write in support of Assemblymember Didi Barrett's request for an audit of Charter Communications, Inc. ("Charter") with respect to the buildout of high-speed broadband facilities in Columbia County. Assemblymember Barrett made that request to your office by letter to you dated March 8, 2018.

Hillsdale, like other towns in Columbia County, has a franchise agreement for cable television with Charter.

On January 8, 2016, the Public Service Commission issued its Order Granting Joint Petition Subject to Conditions (the "PSC Order"), approving with conditions the acquisition of the New York subsidiaries of Time Warner Cable, Inc., by Charter and the creation of a new, merged entity "(New Charter)". Pursuant to the PSC Order, all current customers served by New Charter's New York networks (including its Columbia County systems) are to be offered internet service with download speeds of up to 100 Mbps by the end of this year. See PSC Order, Appendix A, Sec. I.A.

Despite repeated requests from Hillsdale residents and others in Columbia County, including the Hillsdale Broadband Committee, for information on the status of New Charter's compliance with this PSC-mandated service requirement, New Charter has refused to provide any meaningful information with respect to its progress. While the merged entity — now branded as "Spectrum" — has created a website that allows residents to enter their address to see if service is available, the results of such searches have

often been ambiguous and unhelpful. In many cases, the response is “Service may already be available” with instructions to call an 800 number. People calling that number are frequently transferred several times, only to be told that only television service is actually available, with no information regarding broadband service.

While the PSC Order provides that New Charter is required to “timely provide to the Commission an information, data, or other resources that the Commission deems necessary or appropriate to Administer New Charter’s compliance with this Order,” PSC Order at 69, Ordering Paragraph 2, our residents are entirely on the dark as to whether New Charter will meet the PSC-mandated deadline for the provision of modern (and economically crucial) broadband service to the residents of Hillsdale and other communities in Columbia County.

In addition, as a condition of approval of the Charter-Time Warner merger, the PSC required New Charter to add 145,000 “unserved” (defined as download speeds of 0 - 24.9 Mbps) and “underserved” (download speeds of 25 - 99.9 Mbps) customers as “Network Expansion Investments.” Importantly, the PSC ordered that such network expansion be “exclusive of any State grant monies pursuant to the Broadband 4 All Program or other applicable State grant programs.” PSC Order, Appendix A, Sec. 1.B.1 (emphasis supplied); see also id. Sec. B.1.e (“New Charter shall bid for Broadband 4 All Program funding to provide line extensions to any remaining unserved and underserved premises in its New York service territory, exclusive of the 145,000 premises that will be built out pursuant to the Order.”).

Notwithstanding this requirement of the PSC, we believe there is significant overlap of areas in which New Charter proposes to build out and expand its network ostensibly to meet its “Network Expansion” obligation under the PSC Order and census blocks for which other providers have been awarded grants under the Broadband 4 All Program. In other words, we are concerned that New Charter is attempting to meet its Network Expansion obligation with buildouts into census blocks that will be served by other providers as a result of State grants under the Broadband 4 All Program -- and thus locations within that area will be neither “unserved” nor “underserved.”¹

In this regard, we note that just days ago, the PSC issued an Order to Show Cause to New Charter seeking a \$1 million fine for the company’s failure to meet buildout targets imposed under the Network Expansion provision of the PSC Order (and a related settlement agreement). Among the locations challenged by the PSC in that Order to Show Cause are thousands of addresses in census blocks covered by the Broadband 4 All Program. See Order to Show Cause, Case 15-M-0388, dated March 19, 2018, at 2 (“Through this Order, Charter is required to provide evidence as to why the Commission should not . . .

¹ The PSC’s March 19, 2018 Order to Show Cause can be found at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={7E3532E4-DFEA-43DD-AFCE-B7248EB0DD9A}>

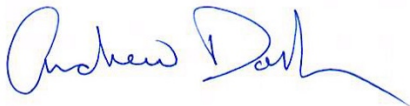
remove 6,612 “Negative Space” addresses from Charter’s current 145,000 buildout plan and preclude any future Negative Space addresses awarded by the Broadband Program Office . . . from Charter’s 145,000 buildout plan . . .”).

As we are sure you understand, broadband service is a vital component in the economic development of Hillsdale and in Columbia County in general. (Indeed, Columbia County is among the most underserved areas in the State with respect to broadband service.) The utter lack of transparency into New Charter’s compliance with the PSC Order, as well as New Charter’s apparent inclusion of residential and business locations subject to Broadband 4 All Program grants in its calculation of progress toward the required passing of 145,000 unserved and underserved addresses, both illustrate and exacerbate this problem. For these reasons, we join in Assembly Member Barrett’s request and urge your office to: (i) audit the performance of New Charter under the PSC Order; (ii) make the results of the audit available to the residents of Hillsdale and other members of the public; and (iii) direct the imposition of any appropriate penalties on New Charter for failure to comply with the terms and conditions of the PSC Order.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter Cipkowski", with a long horizontal flourish extending to the right.

Peter Cipkowski, Hillsdale Town Supervisor

A handwritten signature in blue ink, appearing to read "Andrew Dash", with a long horizontal flourish extending to the right.

Andrew Dash, Chair, Hillsdale Broadband Committee

cc: Hon. Didi Barrett
Kathleen H. Burgess, Secretary, Public Service Commission
Maureen Helmer, Counsel for Charter Communications, Inc.