

## **Broadband Committee 10/30/18**

The Broadband Committee continues to monitor the buildout of fiber optic high-speed internet service in Hillsdale. Here's an update:

### **Consolidated Communications (formerly known as FairPoint)**

Buildout of the trunk fiber lines in Census blocks awarded to Consolidated by the New York State Broadband 4 All program in Columbia County has been completed. (Under that program, Consolidated received approximately \$1.45 million in State grants to add to its \$400,000 investment in exchange for a commitment to make high-speed internet service available in certain specified Census blocks in Hillsdale.) Consolidated tells the Committee that the company is currently "installing the terminals and splicing the cables," and expect to be offering service in those Census blocks as early as January 2019, as required by the State funding process.

As to areas "adjacent" to those Census blocks (including many areas in Hillsdale), Consolidated says that it will expand its fiber system into at least some of those areas in its business judgment following completion the State-mandated buildout in the Census blocks awarded to Consolidated in Q1 2019. The Committee has – at least so far -- been unable to obtain more detailed information on that further expansion; Consolidated considers those plans to be proprietary and confidential.

To find out more about the Consolidated fiber buildout and sign up if you think your address is in a covered area, go to <https://www.consolidated.com/residential/internet/new-ny-broadband-program>. It might make sense for all Hillsdale residents to enter their information there and see what kind of upgrade they can receive. Unfortunately, the Consolidated sale team is not necessarily fully aware of what is going on on the ground, but the local engineers should be able to make use of that customer interest information.

It is unclear if Consolidated initially will be able to offer a cable TV option (in addition to internet and telephone) when its fiber system first comes on line in Hillsdale. Under applicable rules, Consolidated is required to enter into franchise agreements with each of the municipalities in its fiber service area in order to offer cable television service over the new fiber system. The Committee expects to participate in that negotiation process for Hillsdale, which is expected to commence next month.

### **Charter Communications (operating under the Spectrum brand name)**

The other major player in the fiber buildout in our area is Charter/Spectrum. Here the situation is murkier. In a sharp dispute that erupted last summer, the New York Public Service Commission (with the apparent full support of Gov. Cuomo) issued an order directing Charter/Spectrum to exit the New York State marketplace – and to file an exit plan by a specified date. This Order flowed from a determination by the PSC

that Charter/Spectrum misrepresented its progress towards reaching required milestones in expanding high-speed internet to unserved areas in New York State. (As a specific condition to the PSC's approval of Charter's recent merger with Time Warner Cable, Charter/Spectrum obligated itself to make high speed internet available to at least 145,000 addresses in the State that are currently underserved with modern internet.)

However, while the PSC exit order remains in place, negotiations between the company and the PSC staff to resolve this dispute are ongoing. Earlier this month, the PSC entered an order ([see http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=15-m-0388&submit=Search+by+Case+Number](http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=15-m-0388&submit=Search+by+Case+Number)) extending for 45 days the deadline for Charter to provide an exit plan to the PSC. According the PSC staff's letter in support of the extension, the parties currently are engaged in a "productive dialog." This regulatory Kabuki dance will continue, but a negotiated resolution may well be in the offing. (One nugget from the staff letter to the PSC is that the staff has a specific goal of minimizing overlap between the Charter/Spectrum buildout and the buildouts by other service providers that were awarded BPO grants for specific Census blocks. This suggests that a competitive marketplace for high-speed internet is not a PSC goal.)

Charter/Spectrum presents a positive face on the PSC/Charter dispute, asserting that it has been "business as usual for the most part" for Spectrum in NY -- even with the PSC exit order in place. Spectrum claims that all "legacy" Charter cable TV customers (formerly Time Warner Cable customers prior to the Charter/TWC merger) in Hillsdale have been switched over to the new, two-way fiber system. But it appears that no other Charter system expansion work currently underway in Columbia County. The Committee expect -- or at least hopes -- that Charter/Spectrum will resume actively building out its fiber system if a resolution with the PSC is achieved.

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For those outside of the Charter or Consolidated upgrade areas, the Committee sees some indications that the existing internet infrastructure will be upgraded over time. Already we have seen signs that the copper-wire DSL backbone is receiving some attention. In addition, A small number of addresses, eight in total, were awarded to GTel Communications and HughesNet Network Systems.

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