

Litchfield Altice FTTH

Town Leadership Organizational Meeting

optimum. optimum  fiber



March 9, 2022

Litchfield Optimum Towns Benefit from Sharing Information

Very positive strategic decision by AlticeUSA to deploy fiber in our area – Information will be hard to come by

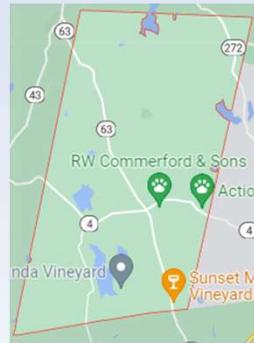
- AlticeUSA has made large corporate strategic shift to fiber - CT makes up 27% of incremental FTTH passings in 2022 or 300,000 homes within overall budget of ~\$1.75 billion.
- May represent one of the largest private company infrastructure investments in the region in many years. Estimated at ~\$50 million^a, the 8 Towns within Litchfield County will see service upgrades in calendar 2022 setting them apart from the many other rural areas in CT
- Individual town leaderships lack a technical background, but all have similar questions - Need a collaborative platform to share information among towns and ultimately with their residents – Broad adoption of fiber is a win-win for AlticeUSA and for our residents
- Need to encourage / expedite town land-use reviews, help get questions addressed to allow for construction to begin – am told some towns have been more receptive than others.
- Basic objective is to inform, support and educate...ultimately better utilize Altice management resources to streamline their construction and marketing process.
- Learning/sharing how they have launched this service in other parts of CT should serve as a benchmark for what to expect.
- This group is not a technical network resource – rather consumer advocacy / education

Adjoining 8 Towns Served by Optimum (Altice USA)

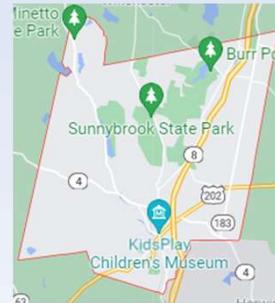
CORNWALL



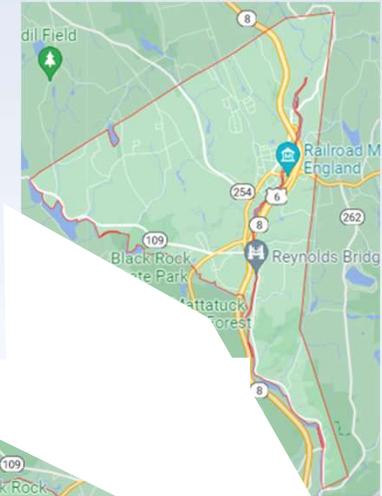
GOSHEN



TORRINGTON



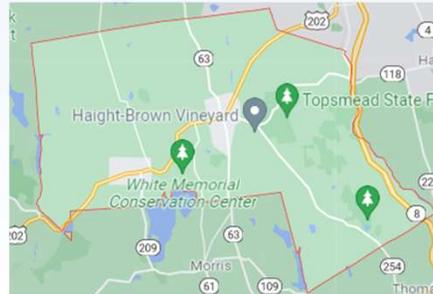
THOMASTON



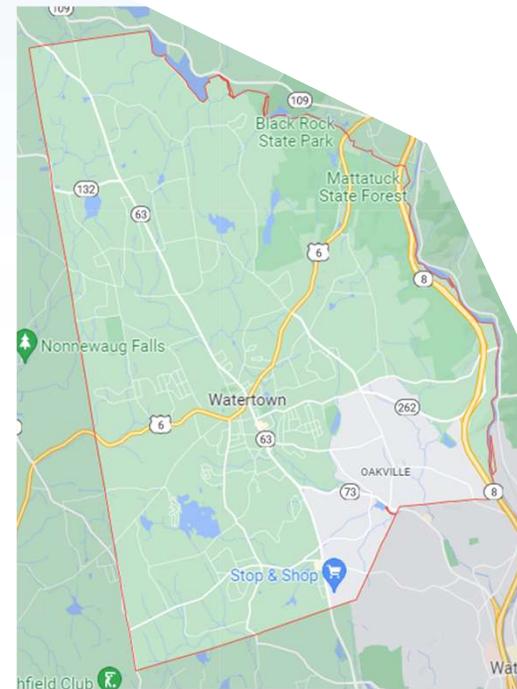
WARREN



LITCHFIELD



WATERTOWN



MORRIS



Critical infrastructure investment to our region

AlticeUSA strategy should benefit from reduced churn, increased take-rate and possibly housing growth

- Cannot underscore enough the positive impact this investment should have to our region
- For cities like Torrington, Watertown it will level the playing field with other parts of CT to draw investment and jobs.....
-whereas rural areas will be fundamentally differentiated to draw housing demand vs other nearby towns in NW CT.....This may last for years as others are reluctant to upgrade
- Will ultimately be a small part of AlticeUSA's overall \$1.75 billion spending plan in 2022 to add 1.1 million new fiber passings – but ~\$50 million in our area is significant!

If they can do it for less, great!

- OptimumMobile (wireless) to be a key part of the new offering.....

	House holds ^a	Road miles ^a	\$1,000 per connect	\$1,500 per connect	\$40,000 per mile	\$75,000 per mile
Torrington	16,911	204	\$16,911,000	\$25,366,500	\$8,160,000	\$15,300,000
Watertown	8,513	150 ^b	\$8,513,000	\$12,769,500	\$6,000,000	\$11,250,000
Litchfield	4,137	148	\$4,137,000	\$6,205,500	\$5,920,000	\$11,100,000
Thomaston	3,157	60 ^b	\$3,157,000	\$4,735,500	\$2,400,000	\$4,500,000
Goshen	1,679	85	\$1,679,000	\$2,518,500	\$3,400,000	\$6,375,000
Morris	1,290	46	\$1,290,000	\$1,935,000	\$1,840,000	\$3,450,000
Cornwall	1,043	81	\$1,043,000	\$1,564,500	\$3,240,000	\$6,075,000
Warren	845	50	\$845,000	\$1,267,500	\$2,000,000	\$3,750,000
Total	37,575	824	\$37,575,000	\$56,362,500	\$32,960,000	\$61,800,000
			Average Estimate		Average Estimate	
			\$46,968,750		\$47,380,000	

a) as reported by NW Connect in their June 2020 report, Thomaston & Watertown reflect 2019 census data

b) estimated

Cabinet locations have been communicated as the start

Gating item for construction plans to be initiated – sooner the better to get questions addressed

- Notification and dialogue underway on an individual town basis
- Land-use officials should be engaged with AlticeUSA directly and working through town planning and zoning process to secure approvals for work to commence.
- This group cannot assist individual town needs other than to encourage direct dialogue with Altice to get questions answered, adjustments made, and final locations adopted
- Power backups is on everyone's minds – Area is prone to extended outages
 - Beyond the fact that each cabinet will have battery backups for 6hrs is not enough information.
 - Have been advised will be support by mobile generator infrastructure to support in case of extended power outage but prefer specific details to build confidence among area residents and establish expectations.
- Plan to utilize Altice management resources effectively to get collective questions addressed and allow for an efficient dialogue.

Individual ONTs will be installed at all households

Town take rates (adoption) will dictate scheduling for Optimum crews to rollout service to homes

“Example / Typical” installation

Fiber to the home network
Premises equipment and wiring

aerial service cable
or
underground service cable

The ONT (Optical Network Terminal) is mounted to the side of the home. This is where the fiber optic service cable is installed. A customer supplied Cat5e network cable is used to connect home networking equipment to the ONT. Equipment can be a wired or wireless broadband router. A telephone jack is available for your phone.

Customer provided telephone & wiring

Customer provided internal network & wiring

Drilled holes
Or
Conduit sleeves

Leverett MLP provided power & wiring, 12Vdc

The ONT power supply is typically installed inside the home and connected to a customer supplied 120Vac power outlet. A wire is run to connect and power the ONT. The power supply and associated backup battery are the homeowner’s responsibility.

ONT power supply provided by Leverett MLP owned by customer

ONT provided and owned by Leverett MLP

Calix 700GE

CyberPower CS24U12V

than 121213

Latest Comments from CEO – Encouraging and consistent

https://morganstanley.webcasts.com/viewer/event.jsp?ei=1533870&tp_key=2d51becb48

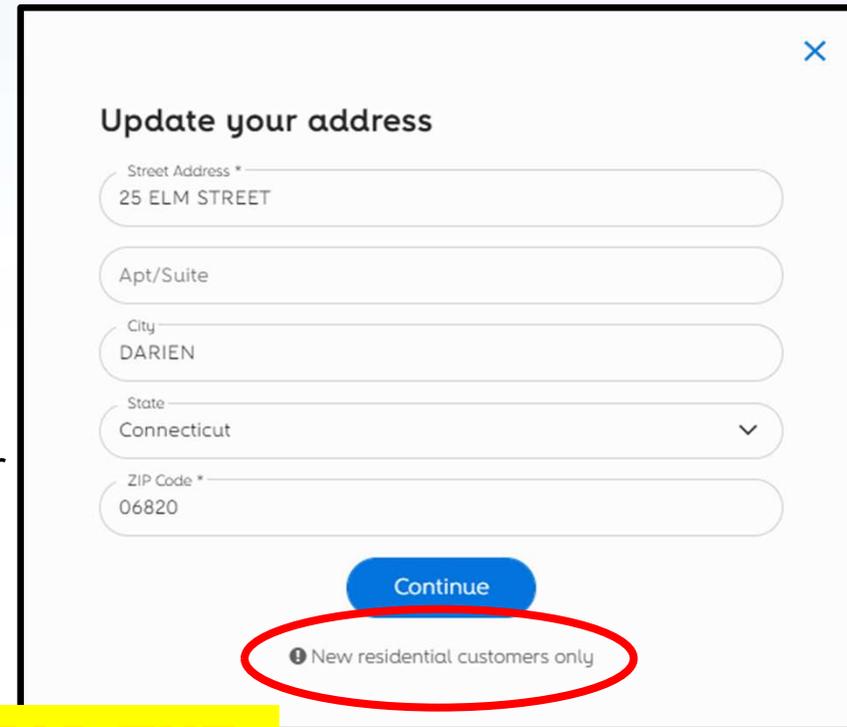
Notes from Tuesday, March 8 - CEO presentation at Morgan Stanley TMT Conference

- Plans to reaccelerate growth announced - +1.3mm in 2022, 1.6mm in 2023, 1.6mm in 2024
- Buildout mobile offering – [MVNO partnership w T-Mobile](#), more to be announced soon / aggressive (possibly bundling unlimited mobile data with a fixed fiber offering)
- AlticeUSA operates within one of largest overbuilt areas (75% w Verizon/Frontier) - critical to be aggressive
- Address customer service issues – reduce opex – push migration and accelerate end if 2Q as mutually beneficial – stats aren't lying.....address existing CT investigation into poor customer service
 - 30% less instance rates (customer complaints), Altice Europe sister companies seeing 50% less instance rates for existing HFC networks so anticipate this to grow, fundamentally cheaper and simply to operate - 55% better [Net Promoter Scores](#)
 - 6-8% higher ARPU (some related to demographics), people who go to fiber buy more (i.e. OTT, video, etc) reflecting customer choice based on better experience, ultimately churn rates are 3-4% better
- Spending plan through 2025 and gross profit growth
- Took over mid 2021 – flat lining operation – Changed positioning Sept2021 to be more price aggressive
- 75% of footprint to be fiberized as ROI is justified – uneconomic in parts of western footprint (lower density)
- Skip DOCSIS 4.0 technology being adopted by some others – too expensive to justify relative to fiber
- Network wide costs \$600/home passed (ex install estimated at \$300) – presume somewhat higher for rural Litchfield county – hope to see take rates above 50%
- Plan to bid on subsidy homes and accelerate rate of buildout – Anticipate costs of \$2,000-\$3,000 per home after subsidies – this is largely outside area within Suddenlink footprint in underserved areas

Pricing / Marketing Appears Encouraging – No Change?

Most price checks suggest they are maintaining a common aggressive pricing strategy through the region

- Altice is competing aggressively with Verizon FIOS in Westchester with aggressive prices / prepaid Visa cards/HBO Max worth upwards of \$200-\$300 depending on level of service
- Marketing/pricing is the same in areas they've recently upgraded to FTTH in Bridgeport, Blackrock, Norwalk & Darien without overlapping competition allowing customers to upgrade with limited to no upfront cost (rates available only to “new” customers) - Encouraging
- Expect marketing materials to be released to Litchfield area possibly this summer and rolling through 2023
- We should encourage residents to adopt
- AlticeUSA is sensitive to competitive pressures and prospective new entrants in the area – this explains their pricing strategy and they should realize **(a)** higher take-rates, **(b)** lower churn and **(c)** lower operating costs – truly a win-win for customers/operator



The screenshot shows a web form titled "Update your address" with a close button in the top right corner. The form contains the following fields: "Street Address *" with the value "25 ELM STREET", "Apt/Suite", "City" with the value "DARIEN", "State" with a dropdown menu showing "Connecticut", and "ZIP Code *" with the value "06820". Below the fields is a blue "Continue" button. At the bottom of the form, there is a red circle highlighting a note that reads "New residential customers only".

READ THE FINE PRINT

Next Steps...

- Send questions and/or answers to aggregate and share answers in a collaborative live document
- Will prepare an aggregate FAQs with answers that can be (a) shared with residents and (b) addressed by AlticeUSA management
- Follow-up call with AlticeUSA within next few weeks with management from engineering and marketing to address more specifics regarding 2022 deployment
- Create shared educational resources for residents and town officials to guide residents in the transition of linear (cable) TV to unbundled over the top (OTT) offerings.

Existing Offering in Litchfield area (new customers)

Pick your Internet Speed

Optimum 100	Optimum 300	Optimum 500	Optimum 1 Gig
<p>Optimum 100</p> <p>Up to 100 Mbps downloads</p> <p>Smart WiFi 5 with intelligent coverage</p> <p>\$19.99/mo.</p>	<p>Optimum 300</p> <p>Up to 300 Mbps downloads</p> <p>Smart WiFi 5 with intelligent coverage</p> <p>\$39.99/mo.</p>	<p>Optimum 500</p> <p>Up to 500 Mbps downloads</p> <p>Smart WiFi 6 with intelligent coverage</p> <p>\$59.99/mo.</p>	<p>Optimum 1 Gig</p> <p>Up to 940 Mbps downloads</p> <p>Get Optimum Stream FREE & enjoy 50+ channels, apps & more</p> <p>Smart WiFi 6 with intelligent coverage</p> <p>\$79.99/mo.</p>
Optimum Basic	Optimum Core	Optimum Select	Optimum Premier
<p>50+ channels</p> <p>abc CBS NBC HSN PBS FOX T news12</p> <p>Voice activated remote & 4K Ultra HD</p> <p>50+ channels including all major networks</p> <p>+\$30.00/mo.</p>	<p>220+ channels</p> <p>ESPN SNY YES HGTV FOX NEWS CNN nick. USA TNT</p> <p>View included channels</p> <p>Voice activated remote & 4K Ultra HD</p> <p>220+ channels including TNT, HGTV & ESPN</p> <p>+\$65.00/mo.</p>	<p>340+ channels</p> <p>STARZINCORE HISTORY Hallmark CHANNELS nick jr. MLB TV LAND FX NETWORK</p> <p>View included channels</p> <p>Voice activated remote & 4K Ultra HD</p> <p>340+ channels including Nick Jr, DIY Network & CMT</p> <p>+\$85.00/mo.</p>	<p>420+ channels</p> <p>SHOWTIME HBO STARZ Outdoor Channel beINia GOLTV SPORTSMAN CHANNEL NETFLIX MOVIES SONY</p> <p>View included channels</p> <p>Voice activated remote & 4K Ultra HD</p> <p>420+ channels including HBO Max, Starz & Showtime</p> <p>+\$105.00/mo.</p>

Fiber Internet Offering in Westchester, NY & Fairfield, CT

Pick your Internet Speed

Fiber Internet 100	Fiber Internet 300	Fiber Internet 500	Fiber Internet 1 Gig
<p>Up to 100 Mbps downloads</p>	<p>Up to 300 Mbps downloads</p>	<p>Up to 500 Mbps downloads</p>	<p>Up to 940 Mbps downloads</p>
	<p>VISA + HBO max \$200 Visa® Prepaid Card 3 months Included on us!</p>	<p>VISA + HBO max \$200 Visa® Prepaid Card 6 months Included on us!</p>	<p>VISA + HBO max \$200 Visa® Prepaid Card 12 months Included on us!</p>
<p>✓ Smart WiFi 6 with intelligent coverage</p>	<p>✓ Smart WiFi 6 with intelligent coverage</p>	<p>✓ Smart WiFi 6 with intelligent coverage</p>	<p>✓ Get Optimum Stream FREE & enjoy 50+ channels, apps & more</p> <p>✓ Smart WiFi 6 with intelligent coverage</p>
<p><input type="radio"/> \$19.99/mo.</p>	<p><input checked="" type="radio"/> \$29.99/mo.</p>	<p><input type="radio"/> \$39.99/mo.</p>	<p><input type="radio"/> \$49.99/mo.</p>

New Customers
(excludes \$10/mo modem rental)

Optimum Basic	Optimum Core	Optimum Select	Optimum Premier
<p>50+ channels</p> <p>abc CBS NBC HGN PBS FOX T news12</p>	<p>220+ channels</p> <p>ESPN SNY YES HGTV FOX NEWS CNN nick u.s. TNT</p>	<p>340+ channels</p> <p>STARZENCORE H Hallmark nick jr. MLB TV LAND FX NETWORK</p>	<p>420+ channels</p> <p>SHOWTIME HBO STARZ Outdoor beIN TV GOLTV SPORTSMAN SONY</p>
<p>✓ Voice activated remote & 4K Ultra HD</p> <p>✓ 50+ channels including all major networks</p>	<p>✓ Voice activated remote & 4K Ultra HD</p> <p>✓ 220+ channels including TNT, HGTV & ESPN</p>	<p>✓ Voice activated remote & 4K Ultra HD</p> <p>✓ 340+ channels including Nick Jr, DIY Network & CMT</p>	<p>✓ Voice activated remote & 4K Ultra HD</p> <p>✓ 420+ channels including HBO Max, Starz & Showtime</p>
<p><input type="radio"/> +\$30.00/mo.</p>	<p><input type="radio"/> +\$65.00/mo.</p>	<p><input type="radio"/> +\$85.00/mo.</p>	<p><input type="radio"/> +\$105.00/mo.</p>

Same prices for Optimum TV

What will pricing be for existing customers?

Sounds like it will be basically the same with no installation charges which is quite encouraging

- New customers (i.e. those who have not had service for >45 days) are eligible to \$200 VISA prepaid gift cards, varying periods of HBO Max^a, free installation & WiFi extender
- New customer pricing reflects a \$5 per month discount with auto-pay / paperless billing but does NOT include \$10 per month required modem rental
- Call to customer service suggested to request fiber - existing customers have **not** been assessed installation charges but we shall see what is offered.....must be scheduled to install ONT (new “modem”) which is combined with router
- Representative suggested after surcharges and equipment costs, existing customer prices should be relatively similar to what prior HFC customers were paying
- Sounds very encouraging – Strategy maybe to increase the regional take rate given the increased rate of customers cutting the cord?? Video offerings will remain on decline

a) HBO Max costs \$11.99 per month (AdFree) but is often discounted. Also offered AdFree for \$149.99 if 12 months are prepaid

Fine Print – Details of the Offer in Other Markets

OFFER for new Optimum residential customers. Rates are subject to change at any time with advanced notice. Advertised price reflects \$5 discount for enrolling in Auto Pay & Paperless Billing, must maintain both to keep discount. Former Optimum accounts previous not in good standing or have disconnected service within past 30 days or for seasonal move not eligible. Acct with unpaid bill after due date is not in good standing. Offer is not transferrable, may not be combined w/other offers, is limited to advertised level of service., and is not available in all areas. Other terms, restrictions & conditions apply.

1 GIG INTERNET: Speeds, prices & availability vary by area. Up to 940 Mbps download/up to 940 Mbps upload.

500 MBPS INTERNET: Up to 500 Mbps download/up to 500 Mbps upload.

300 MBPS INTERNET: Up to 300 Mbps download/up to 300 Mbps upload. Advertised speed for wired connection. Actual speeds may vary & are not guaranteed, see optimum.com/speedfactors for more info.

EQUIP & TAXES: Free standard installation with online orders. Modem-lease will be charged \$10.00 a month. Free Smart Router available with leased modem. Limit 1 router per household. Taxes & equip. charges will be added to bill, and are subject to change during and after promotion period. Min system req's & equip configs apply.

HBO MAX™: Customer must maintain promotion and remain in good standing with no past due or returned payments throughout promotional period to maintain included HBO MAX™. HBO MAX is \$14.99/mo. after promotional period. HBO MAX is used under license. Use of HBO Max is subject to its own terms and conditions, see hbomax.com/terms-of-use for details.

VISA REWARD CARD: Offer is not available to individuals who have previously participated in an Optimum Visa® Reward Card promotion within the past 12 months. Visa Reward Card will be mailed to customers who maintain promotion and remain in good standing with no past due or returned payments throughout first 90 days after account activation. Allow 4-6 weeks for delivery. Limit 1 per customer. Visa Reward Card cannot be used to pay Optimum monthly bill. Card value expires in 12 mos. Visa Reward Card may be used when making purchases from merchants in the U.S. and District of Columbia everywhere Visa debit cards are accepted. No ATM access. Terms and Conditions apply to Reward Cards. See Cardholder Agreement for details. Visa Reward Card is issued by MetaBank®, N.A., Member FDIC pursuant to a license from Visa U.S.A. Inc. This optional offer is not a MetaBank product or service nor does MetaBank endorse this offer. Card is distributed and serviced by InComm Financial Services, Inc., which is licensed as a Money Transmitter by the New York State Department of Financial Services.

CONTRACT BUYOUT: Must provide copy of bill from competing provider, in same name and at same address, showing early termination fee (ETF) amount and that you were an active customer with the competitor at time of sale without a past due balance. Bill may be submitted by email to CompetitorProof@alticeusa.com. Once all documents are received, you will receive a bill credit covering ETF amount up to max of \$100 within 6-8 weeks provided account is maintained in good standing.

60-DAY MONEY-BACK GUARANTEE: 60-day money-back guarantee is only for the monthly fee. Optimum must be contacted within first 60 days of service to receive full refund.

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Internet 100 Mbps

OFFER for new Optimum residential customers. Rates are subject to change at any time with advanced notice. Advertised price reflects \$5 discount for enrolling in Auto Pay & Paperless Billing, must maintain both to keep discount. Former Optimum accounts previous not in good standing or have disconnected service within past 30 days or for seasonal move not eligible. Acct with unpaid bill after due date is not in good standing. Offer is not transferrable, may not be combined w/other offers, is limited to advertised level of service., and is not available in all areas. Other terms, restrictions & conditions apply.

100 MBPS INTERNET: Advertised speed for wired connection. Up to 100 Mbps download/up to 100 Mbps upload. Actual speeds may vary & are not guaranteed, see optimum.com/speedfactors for more info.

EQUIP & TAXES: Free standard installation with online orders. Modem-lease will be charged \$10.00 a month. Free Smart Router available with leased modem. Limit 1 router per household. Taxes & equip. charges will be added to bill, and are subject to change during and after promotion period. Min system req's & equip configs apply.

CONTRACT BUYOUT: Must provide copy of bill from competing provider, in same name and at same address, showing early termination fee (ETF) amount and that you were an active customer with the competitor at time of sale without a past due balance. Bill may be submitted by email to CompetitorProof@alticeusa.com. Once all documents are received, you will receive a bill credit covering ETF amount up to max of \$100 within 6-8 weeks provided account is maintained in good standing.

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TV ADD ON

Internet & Basic TV, Internet & Core TV, Internet & Select TV, Internet & Premier TV

OFFER for new Optimum residential customers with eligible Internet plan. Rates are subject to change at any time with advanced notice. Advertised price reflects \$5 discount for enrolling in Auto Pay & Paperless Billing, must maintain both to keep discount. Former Optimum accounts previous not in good standing or have disconnected service within past 30 days or for seasonal move not eligible. Account with unpaid bill after due date is not in good standing. Offer is not transferrable, may not be combined w/other offers, is limited to advertised level of service, and is not available in all areas. Other terms, restrictions & conditions apply.

BASIC TV: TV add on not available with 20 Mbps Internet plans or lower. HDTV & HD set-top box required for HD service. Number of TV channels, HD channels & features depend on package type & location. All service's & channels may not be available in all areas.

EQUIP & TAXES: Free standard installation. First set top box is included, additional equipment will be charged at regular monthly rates. Cable boxes are needed for each TV. Taxes & equip. charges will be added to bill, and are subject to change during and after promotion period. Minimum system requirements & equip configs apply. Phone is optional for additional \$10/mo.

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