

April 18, 2016

Mr. Richard C. Sofield
Director, Foreign Investment Review Staff
National Security Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530-0001

Re: FCC Application # ITC-T/C-20151014-00237 Altice-Cablevision (TT #15-73)

Dear Mr. Sofield:

Cablevision Systems Corporation, a corporation organized under the laws of the State of Delaware ("Cablevision"), and Altice N.V., a *naamloze vennotschap* (public company) organized under the laws of the Netherlands ("Altice", and together with Cablevision, the "Companies"), along with Cequel Corporation (d/b/a Suddenlink Communications) ("Cequel", and together with the Companies, the "Altice Entities"), provide this Letter of Agreement ("LOA") in connection with Federal Communications Commission ("FCC") Application # ITC-T/C-20151014-00237 (Altice-Cablevision (Team Telecom Case Number 15-73)) (the "FCC Application"), involving Altice's proposed acquisition of 70 percent of the equity interest in Cablevision (the "Transaction").

On December 16, 2015, in furtherance of its obligation to evaluate whether the transfer of Cablevision's existing FCC authorities is in the public interest,¹ the FCC advised several Executive Branch agencies of a deadline for comment as to whether the FCC Application poses any national security, law enforcement, foreign policy, or trade concerns. Pursuant to a letter dated December 16, 2015, from Ms. Kristin Taylor of the Department of Justice ("DOJ") to Ms. Marlene Dortch of the FCC, the U.S. Departments of Justice, Homeland Security, and Defense (collectively the "Agencies") requested that the FCC defer action on the above-captioned matter pending a review of the Transaction for any national security, law enforcement, and public safety issues. By executing this LOA, the DOJ agrees to promptly notify the FCC that, provided the FCC conditions the grant of the FCC Application on the Altice Entities' compliance with this LOA, the Agencies have no objection to the FCC's grant or approval of the FCC Application.

In particular, the DOJ and the Altice Entities have agreed that upon closing of the Transaction, and subject to the terms of this LOA, Cablevision will become a party and subject to the National Security Agreement dated December 11, 2015, that was executed by and between Altice and Cequel on the one hand, and the DOJ, on the other hand, ("NSA") involving Altice's acquisition of 70 percent of the equity interest in Cequel and based on similar national security, law enforcement, and public safety concerns as those arising from the Transaction. The Companies agree that the

¹ See generally 47 U.S.C. § 214(a); 47 C.F.R. §§ 63.18 and 63.24; and *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market: Market Entry and Regulation of Foreign-Affiliated Entities*, FCC 97-398, 12 FCC Rcd. 23,891, 23,919 (1997) (*Foreign Participation Order*).

concerns arising from the Transaction are best addressed through the execution of this LOA. By executing this LOA, Altice and Cequel acknowledge their lack of objection regarding the DOJ's intention to move the FCC to condition Altice and Cequel's FCC authorizations in relation to Cequel's business upon Altice and Cequel's compliance with the NSA and this LOA.

This LOA sets forth the following terms, to be implemented by the Altice Entities and overseen by the DOJ (collectively, the "Parties"), to become effective immediately upon the execution by all Parties of this LOA:

1. Application of this LOA and the NSA to the Altice Entities

- a. Except as set forth specifically herein, the Companies agree to be bound by all definitions,² rights, and obligations contained in the NSA, with the Companies being separately and individually responsible for complying with or enforcing any such definitions, rights, and obligations as if "Cablevision" appears in the NSA rather than "Cequel" or "Suddenlink."
- b. Unless otherwise stated herein, this LOA neither amends the NSA nor alters the meaning of the definitions for, or the rights or obligations of, Cequel or Altice under the NSA as it relates to the Cequel business.
- c. "LOA Effective Date," as used herein, means the date of the last signature affixed hereto. With respect to the application of the NSA to the Companies, "Effective Date," as used in the NSA, shall be read to mean "LOA Effective Date."
- d. Cablevision and Cequel are separately and individually obligated to comply with the NSA and this LOA unless and until such obligations are merged in the manner described herein. Thus, for example, under this LOA and the NSA, the Altice Entities agree to develop or provide separate Implementation Plans and separate notices, policies, standards, and procedures for both Cablevision and Cequel, and to appoint and maintain separate officers or points of contact, in accordance with the processes, standards, deadlines, and methods outlined in the NSA unless such requirements are otherwise adjusted herein, provided however that the Altice Entities may, subject to DOJ approval and the conditions for such appointment(s) in the NSA, elect to appoint the same person to serve simultaneously in corresponding roles for each of Cequel and Cablevision.
- e. At a mutually agreeable time for the Altice Entities in the future not to exceed two years from the LOA Effective Date, the Altice Entities shall create and abide by a Joint Implementation Plan in accordance with the process outlined herein that shall merge the Implementation Plan for Cablevision, adopted pursuant to this LOA in

² All terms in this LOA have the meaning given in the NSA as they apply to Cablevision (i.e., as if "Cablevision" appears in the NSA definition in lieu of "Cequel") unless otherwise defined herein. Where a term used herein must distinguish between the distinct applications of the NSA to Cequel and Cablevision, those instances will be specifically noted (e.g., "the Implementation Plan for Cequel" versus "the Implementation Plan for Cablevision").

accordance with NSA Section 2.1, with the Implementation Plan for Cequel, adopted pursuant to NSA Section 2.1.

- i. The Joint Implementation Plan shall otherwise conform to the requirements of NSA Sections 1.23 and 2.1 (i.e., regarding content, form, and adoption), and shall be subject to DOJ approval.
 - ii. As a result of the Joint Implementation Plan's adoption, Cequel and Cablevision ultimately will operate and maintain compliance with the NSA pursuant to a single regime.
 - iii. In order to assess whether additional amendment of the Joint Implementation Plan is necessary, **three years** from the adoption date of the Joint Implementation Plan the Altice Entities shall submit to the DOJ an assessment of whether, and how, the Cablevision and Cequel businesses have merged, integrated, or aligned since the Joint Implementation Plan's adoption.
 - iv. Should the Joint Implementation Plan require amendment in the future, it shall be subject to the adoption provisions outlined herein or as otherwise outlined in the NSA.
- f. Within two business days of Altice acquiring a majority of the outstanding equity securities of Cablevision (hereinafter the "Closing Date"), Altice will send a written notification to DOJ stating that the Transaction has been closed.

2. Altered Timelines

- a. The requirements of NSA Section 2.1 (Implementation Plan) to submit an Implementation Plan for DOJ review is hereby amended with respect to Cablevision to be **one-hundred twenty (120) days** of the Closing Date
- b. The requirements contained in NSA Section 2.5 (Network and Telecommunications Architecture) to submit to the DOJ a comprehensive description of the Domestic Communications Infrastructure (DCI) network and detailed transport network diagrams within sixty (60) days of the Effective Date will be extended to **ninety (90) days** of the Closing Date.
- c. The requirements contained in NSA Section 4.12(a)(2) (Outsourcing and Offshoring Control and Access) to "submit to the DOJ a notice of current outsourcing/offshoring providers within sixty (60) days of the Effective Date" will be extended to **ninety (90) days** of the Closing Date.
- d. All other deadlines in the NSA remain the same and begin running individually for Cablevision as of the Closing Date.

3. **Altered Audit Procedures**

- a. After the submission of both (i) the final audit report for the first audit commissioned for Cablevision pursuant to this LOA and NSA Section 5.11 and (ii) the final audit report for the first audit commissioned for Cequel pursuant to NSA Section 5.11, the Altice Entities may jointly petition the DOJ for waiver(s) from NSA Section 5.11 to allow for the commissioning of subsequent joint audit(s) regarding NSA compliance that, in a single final report derived from a single scope of work, will address the Cequel and Cablevision businesses collectively ("Joint Audit").
- b. Such a request by the Altice Entities must be received by the DOJ **nine (9) months** before the next deadline for Cequel or Cablevision (whichever is earlier) under NSA Section 5.11 for anticipated audit(s), and must include an explanation of how the Cequel and Cablevision businesses are merged, integrated, aligned, or co-existing to such an extent that a Joint Audit serves the best needs of the Parties in efficiently and effectively assessing NSA compliance
- c. Upon receiving a request for a waiver under this LOA and NSA Section 5.11, the DOJ shall respond within **sixty (60) days** unless further information is requested of the Altice Entities in good faith.
- d. Should a waiver be granted, the DOJ shall determine the appropriate amended deadlines for the Altice Entities' requirements under NSA Section 5.11 with respect to notification(s) of the selected auditor, provision(s) to the DOJ of the terms for the audit's scope, and the receipt of the final audit report(s).
 - i. The DOJ's grant of a waiver from NSA Section 5.11 pursuant to this LOA may be conditional, and may apply to a single forthcoming audit requirement (e.g., solely to the audit required for 2019) or to all future audit requirements, as identified by the DOJ in its waiver.
 - ii. Once granted, the DOJ may not revoke, withdraw, or change the nature of the waiver(s) granted within **nine (9) months** of the anticipated date of the final report for the next audit due under NSA Section 5.11 and any controlling waiver(s) at issue.
- e. For the avoidance of doubt, nothing in this Section 3 is intended to prevent either Cablevision or Cequel from selecting the same auditor to perform any audit(s) required by NSA Section 5.11, subject to the terms for such appointment(s) in the NSA.
- f. In all other extents, the terms of Section 5.11 remain unchanged.

4. **Notices.** All communications or other notices relating to this LOA may be made in any manner and form discussed in the NSA and to the individuals identified therein, except that for Cablevision, the notices can be sent to:

Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714

5. **Successors and Assigns:** This LOA and any Implementation Plan adopted in accordance therewith shall inure to the benefit of, and shall be binding upon, the Altice Entities, the DOJ, and their respective successors and assigns. This LOA and any Implementation Plan adopted in accordance therewith shall apply in full force and effect to any entity or asset, whether acquired before or after the LOA Effective Date, over which the Altice Entities, including successors or assigns, have the power or authority to exercise *de facto* or *de jure* control.
6. **Termination of this LOA:** This LOA may be terminated at any time by a written agreement signed by the Parties. The Parties agree that they will reasonably consider any termination request submitted pursuant to this LOA.
7. **Counterparts:** This LOA may be executed in one or more counterparts, including by facsimile or portable document format (PDF), each of which shall together constitute one and the same agreement.

[Remainder of this page intentionally left blank]

Signed and agreed to as of the date first written above:

Altice, N.V.

Date: _____

By: _____

Printed Name: _____

Title: _____

Cablevision Systems Corporation

Date: 4/18/16

IB By:  _____

Printed Name: PARAGAN PILLAI

Title: Sr. INFRASTRUCTURE ENGINEERING

Cequel Corporation

Date: _____

By: _____

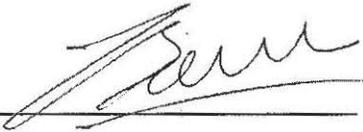
Printed Name: _____

Title: _____

Signed and agreed to as of the date first written above:

Altice N.V.

Date: April 18, 2016

By: 

Printed Name: Jérémie BONNIN

Title: General Secretary

Cablevision Systems Corporation

Date: _____

By: _____

Printed Name: _____

Title: _____

Cequel Corporation

Date: _____

By: _____

Printed Name: _____

Title: _____

Signed and agreed to as of the date first written above:

Altice N.V.

Date: _____

By: _____

Printed Name: _____

Title: _____

Cablevision Systems Corporation

Date: _____

By: _____

Printed Name: _____

Title: _____

Cequel Corporation

Date: April 18, 2016

By: 

Printed Name: Craig Rosenthal

Title: Service VP & General Counsel

Receipt acknowledged as of the date first written above:

United States Department of Justice

Date: 4/20/16

By: 

Printed Name: Richard C. Sotfield

Title: Director, FIRS