



NEW YORK STATE SENATOR

Zellnor Myrie

Senator Myrie Slams Optimum for Hidden Fee

ZELLNOR MYRIE December 23, 2019

BROOKLYN, NY — New York State Senator Zellnor Y. Myrie condemned Altice USA, parent company of Optimum, for an unexpected increase in fees for internet service.

In a letter sent to Altice USA CEO Dexter Goei last Wednesday, Senator Myrie demanded a refund for customers whose internet service has unexpectedly become more costly due to a \$2.50 per month “Network Enhancement Fee” added to customers’ bills in February.

Senator Myrie represents several low-income communities of color in Central Brooklyn, and asked Optimum to consider what it would mean for his constituents to get a refund during the holidays.

“Ours is a community where all too many people are struggling to make ends meet,” wrote Senator Myrie. “This is especially true during the holidays, when we are scraping together every dollar we can in hopes of affording gifts for our friends and families.”

“To place an unexpected and unjustified barrier between vulnerable people and an essential service is unacceptable, but refunding these fees would go a long way toward restoring the goodwill of your customers and helping them celebrate the holidays,” Senator Myrie added.

The full letter is attached above.

Mr. Goei, Altice's CEO, would seem to agree. "What people always get upset about here in America is changes in price points, promotions that roll off into big step ups in pricing. No clarity truly on their billing," Goei told Forbes in September while promoting Altice's new cell phone service. "We want to be simple. To the point. This is what you get. You get it for life."

In his letter, Senator Myrie points out that internet providers have had to pay penalties for unfair rate hikes in other states. Just last week, the Attorney General in Washington state settled a lawsuit with an internet provider attempting to justify similar fees. That company, CenturyLink, was forced to pay \$6.1 million. Back in November, Massachusetts settled a dispute with Comcast that required the company to pay nearly \$1 million and cancel debts of 20,000 customers.

The rate increase reflects a national trend of internet providers increases unexpected and hidden fees into customers' internet and cable bills.

In a report on the issue published last month, Consumer Reports wrote, "Consumers of cable TV and internet service are facing a rise and proliferation of company-imposed fees that are buried in the fine print and aren't clearly disclosed. As opposed to taxes or charges for optional services, these fees are items added to a consumer's monthly bill for things that are nothing more than a cost of doing business."

Optimum's "Network Enhancement Fee" appears to be exactly that. According to Optimum, the fee "helps enable us to continue to invest in our network and infrastructure to deliver the best technology and services possible." New investments in infrastructure, technology, and services is generally considered one of the costs of doing business, not a separate service with a cost to customers.

Senator Myrie learned about the fee hike when meeting with constituents in one of the Central Brooklyn neighborhoods he represents. Altice acknowledged receipt of the letter Thursday afternoon, but has not yet provided a reply.

Altice, Optimum's parent company, acquired Optimum nearly four years ago and has shown strong performance since. They joined the Fortune 500 last year with \$10 billion in revenues and currently serve 4 million internet customers in 21 states. They are the fourth largest cable provider in the country and are based in New York City. While the company experienced some losses last quarter, they gained 15,000 new broadband subscribers, and their shares are up 2.8% compared to this time last year.

Senator Myrie is a member of the Senate's Consumer Protection Committee.

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