ANNEX 10A

Impact of Hurricane Sandy on a U.S. Cable Television Operator

Cablevision Systems Corporation, one of the United States leading media and telecommunications companies, suffered severe service impacts from Hurricane Sandy in late 2012.

Hurricane Sandy affected 24 [states](http://en.wikipedia.org/wiki/U.S._state), including the entire eastern seaboard from [Florida](http://en.wikipedia.org/wiki/Florida) to [Maine](http://en.wikipedia.org/wiki/Maine) and with particularly severe damage in [New Jersey](http://en.wikipedia.org/wiki/New_Jersey) and [New York](http://en.wikipedia.org/wiki/New_York). Early on 29 October, Hurricane Sandy moved ashore in the state of New Jersey, south of New York City, as a [post-tropical cyclone](http://en.wikipedia.org/wiki/Post-tropical_cyclone) with hurricane-force winds. The storm was nicknamed "Superstorm Sandy" by the media. Its [storm surge](http://en.wikipedia.org/wiki/Storm_surge) hit [New York City](http://en.wikipedia.org/wiki/New_York_City) on 29 October, flooding streets, tunnels and subway lines and cutting power in and around the city. One source cites damage estimates in the US at more than $71 billion (2012 USD).

In a Cablevision Systems press release dated 1 November 2012, the company made the following statement: *"Following this unprecedented event, loss of electrical power continues to be the primary cause of widespread disruptions of Optimum service. Cablevision crews are in the field and working to restore service as quickly as possible after the return of power. We will continue to provide updates for our customers on Optimum.nett"*.

The press release included a table reporting service outage statistics: 1.6 million customers of Cablevision's "Optimum" brand services (cable television and/or Internet access) in the states of New York, New Jersey and Connecticut were without power three days after the storm hit, and of the 1.6 million other customers still with power, 7,265 homes had no Cablevision service due to cable system outages.

A full four months later, on 28 February 2013, Cablevision issued its corporate earnings press release with the sub-headline "Superstorm Sandy Impacts Fourth Quarter Results". It included the following assessment of its Cable Television customer base during the fourth quarter of 2012, including the impact of Superstorm Sandy:

*"Includes a net reduction of approximately 11 thousand customer relationships, 10 thousand video, 9 thousand high-speed data and 7 thousand voice customers that were located in the areas most severely impacted by Superstorm Sandy who we have been unable to contact and those whose billing we have decided to suspend temporarily during restoration of their homes…Our customer counts as of 31 December 2012 have been reduced accordingly (27 thousand customer relationships, 24 thousand video, 23 thousand high-speed data and 19 thousand voice)"*.

Clearly, severe weather can take a serious toll on the public's ability to receive wired television and Internet service (and telephone service) during and following a serious public emergency. It is known that those affected homeowners were able to utilize battery-powered radio and television receivers to continue to receive high-quality emergency information. CBS owns and operates two all-news radio stations in the city of New York that provided continuous coverage and advice to the public during Superstorm Sandy.

Just as the storm was making landfall, on 29 October, Radio management and marketing magazine "Radio Ink" interviewed Federal Emergency Management Agency Director Craig Fugate, who urged people to turn to traditional radio in case other media fail. "One of the things you do not really think about anymore is having a battery-powered radio or hand-cranked radio to get news from local broadcasters, "he said". The Internet may go out, cell phones will be congested, radio is oftentimes the way to get those important messages about what's going on in the local community".