



Agenda Date: 9/12/08  
Agenda Item: 3D-3

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu](http://www.nj.gov/bpu)**

**CABLE TELEVISION**

IN THE MATTER OF VERIZON OF NEW JERSEY, ) ORDER  
INC. – REQUEST FOR ASSISTANCE RESOLVING )  
INTERCONNECTION NEGOTIATIONS WITH )  
US CABLE OF PARAMUS - HILLSDALE BPU DOCKET NO. CO07070521

(SERVICE LIST ATTACHED)

BY THE BOARD:

Introduction

This matter has been opened to the Board as a request for assistance in resolving open issues associated with attempts to develop an agreement for interconnection between the public, educational, and governmental access channels with Verizon New Jersey ("Verizon" or "VNJ") and U.S. Cable of Paramus - Hillsdale ("US Cable"). As will be discussed in more detail below, the Board hereby sets forth the framework and basic elements of an imposed interconnection relationship, as well as a discussion of the appropriate and necessary cost and service elements. The Board continues to believe that a negotiated business framework between the parties would be beneficial; but based upon legal and policy requirements, the Board will nevertheless impose the following framework in the absence of mutual agreement.

Background

On December 15, 2006, in Docket No. CE06110768, Verizon was granted a system-wide cable franchise by the Board, pursuant to P.L. 2006, c. 83 (the "System-wide Cable Television Franchise Act" or "Act"). The new law modified the State's Cable Television Act, N.J.S.A. 48:5A-1 et seq., by allowing for the option of competitive system-wide franchises for the provision of cable television service. System-wide cable franchise holders are required to provide certain services to each municipality which they serve, including two public, educational and governmental access ("PEG") channels. N.J.S.A. 48:5A-28(i). In addition, under the Act, cable television operators are required to provide interconnection access, if requested, for the purpose of allowing competing cable television operators to provide PEG content.

Following the passage of the System-wide Cable Television Franchise Act, the Board adopted regulations to establish the procedures for resolution of disputes involving PEG and interconnection:

If a cable television company is unable to interconnect with another cable television company because it believes the terms and conditions are not reasonable, it may petition the Board for assistance in resolution of the dispute. The Board may utilize the procedures set forth in N.J.A.C. 14:17-8.

[N.J.A.C. 14:18-15.4(d)(2).]

On July 12, 2007, Verizon filed a letter with the Board requesting assistance in resolving its interconnection negotiations with US Cable, which is currently operating in Verizon's expanding service territory. Response to Verizon's request was filed by US Cable, and shortly thereafter, the Office of Cable Television ("OCTV") held a settlement conference with Verizon and US Cable, which was also attended by the Division of Rate Counsel.

#### Procedural History

US Cable did not participate in the hearing process. As such, US Cable did not present a formal proposal or otherwise take a position. In light of that, the Board has set forth the following foundation for an interconnection agreement, based upon the information developed in the other interconnection disputes before the Board.

#### Discussion and Findings

At core, the Board must make clear the concept that, once requested under the Act, interconnection for the provision of PEG channel programming is not for the benefit of either the incumbent cable operator or the new entrant; the benefit is for the public, and as such, the parties involved in the interconnection should receive neither a windfall nor a "free ride." Instead, and in the absence of a negotiated settlement between the business entities, the Board must impose an interconnection framework predicated upon the legal foundations in the Act and the Board's experience, judgment and expertise.

#### Interconnection

"Interconnection" refers to the physical linking of two cable television systems for the mutual exchange and transport of cable television signals. The System-wide Cable Television Franchise Act requires cable television companies to provide interconnection to any other cable television companies on reasonable terms and conditions if so requested. Accordingly, within the context of this case, the Board and the parties have concentrated on interconnection as it applies to PEG channels.

While traditionally grouped together as "PEG" channels, there nevertheless are differences between "public," "educational," and "governmental" access programming. The OCTV, on occasion, has defined them as follows:

Public access is non-commercial local programming cablecast without advertising for use by individuals in a community, usually on a first come, first served basis. Public access may be

managed and/or operated by a municipality but often is operated by the cable television company for the benefit of its customers.

Educational access is non-commercial local programming cablecast without advertising utilized by school systems and colleges according to local needs. These channels are run by the municipality or a collection of municipalities.

Governmental access is non-commercial local programming cablecast without advertising which is reserved for governmental entities to cablecast public meetings, governmental messages and other information. In most cases, those municipalities that have a governmental access channel perform the day-to-day operations of the channel.

N.J.S.A. 48:5A-28(i) requires municipalities to assume operations, management and programming of PEG channels provided by the system-wide franchise. The statute does not, however, contemplate or address operation of public access originating from a cable television operator's facilities. A public "PEG" channel run by a cable television company therefore would not fall under the parameters of N.J.S.A. 48:5A-28(i). Therefore, we are excluding the requirement that Verizon interconnect with US Cable's public access feeds, as further discussed below, and leave it to Verizon's discretion whether to interconnect with these feeds.

Cable television operators are not permitted to exercise any editorial control over PEG channels, except to the extent permitted by Federal law with regard to obscenity, indecency or nudity. 47 U.S.C.A. § 531(e) A municipality may specify that its channel is public ("P"), educational ("E"), and/or governmental ("G").

#### Public Interest

It is unquestioned that a franchising authority may set requirements in a franchise designating the use of channel capacity for the provision of PEG use. 47 U.S.C.A. § 531(a). Based upon this authority, and because of the important public interests served by PEG programming, see Time Warner Cable of New York City v. City of New York, 943 F. Supp 1357 (S.D.N.Y. 1996), aff'd 118 F.3d 917 (2nd Cir. 1997), the Legislature set in place a method for the delivery of PEG programming to all subscribers regardless of the CATV provider. By providing an opportunity for competing cable television companies to avoid the cost, inconvenience, and difficulty of replicating existing PEG facilities in the municipalities they service, the Legislature hoped to minimize the time it takes a new CATV provider to enter the market and offer its services to the public. Furthermore, supporting interconnection as a means for a new market entrant to meet its PEG programming obligations, or, on a reciprocal basis for an incumbent cable television operator to provide additional benefits to the public by virtue of new or additional PEG programming, serves a significant benefit to the general public. Accordingly, the Board **HEREBY FINDS** that interconnection of municipal PEG channels is in the public interest and in keeping with the Legislative intent of the System-wide Cable Television Act.

#### Controlling Statutes

Two elements of the Act have been presented by the parties as controlling to the issue of PEG interconnection and associated costs. The first of these, N.J.S.A. 48:5A-28(i), provides that:

[a]ny and all CATV companies operating in a municipality shall provide interconnection to all other CATV companies on reasonable terms and conditions....

[N.J.S.A. 48:5A-28(i).]

In addition, a second element of the Act has been cited as providing a foundation for Board authority. Under N.J.S.A. 48:5A-28(m), the Act states:

With regard only to applications for a system-wide franchise, a commitment to provide a return feed from any one location in the municipality, without charge, to the CATV company's headend or other location of interconnection to the cable television system for public, educational or governmental use, which return feed, at a minimum, provides the ability for the municipality to cablecast live or taped access programming, in real time, as may be applicable, to the CATV company's customers in the municipality. No CATV company is responsible for providing a return access feed unless a municipality requests such a feed in writing. A CATV company that has interconnected with another CATV company may require the second CATV company to pay for half of the CATV company's absorbed costs for extension.

[N.J.S.A. 48:5A-28(m).]

VNJ has asserted that N.J.S.A. 48:5A-28(m), and its obligation to "pay for half of the CATV company's absorbed costs for extension," must be considered and must temper any analysis of "reasonable terms and conditions" as set forth in N.J.S.A. 48:5A-28(i). Any other reading, claims VNJ, would render meaningless that element of the Act and would be counter to the Board's regulations. As such, alleges VNJ, the issue of interconnection compensation must center on the issue of absorbed costs.

Based upon the Board's review of the Act, as well as the nature of the interconnection for PEG and the testimony and evidence entered into the record during this proceeding, the Board concludes that N.J.S.A. 48:5A-28(i) is the only statutory provision dealing with PEG interconnection. The Board believes that N.J.S.A. 48:5A-28(m) is designed to consider the costs associated with the sharing of a return feed extension where interconnection has occurred and not for the sharing of PEG interconnections. PEG interconnections are controlled by N.J.S.A. 48:5A-28(i) alone, as that section speaks specifically to the PEG elements while N.J.S.A. 48:5A-28(m) speaks specifically to the return feed extensions. PEG and return feeds are not interchangeable; while return feeds can often be used to provide PEG programming, a return feed is not, in and of itself, sufficient to provide a sharing of PEG programming as envisioned by N.J.S.A. 48:5A-28(i). Instead, it is the Board's belief that the use of the term interconnection in N.J.S.A. 48:5A-28(m) was simply an inartful duplication of terms and was not intended to pull the cost mechanism considered for the sharing of a return feed extension into the analysis of a PEG interconnection agreement.

In light of the language used, the Board is bound by what it perceives as the guiding legislative intent. McCann v. Clerk of the City of Jersey City, 167 N.J. 311, 320 (2001) ("Our overriding objective in determining the meaning of a statute is to 'effectuate the legislative intent in light of the language used and the objects sought to be achieved,'" quoting State v. Hoffman, 149 N.J.

564, 578 (1997)). Even if the Board were to find the language of the Act ambiguous, the Board is required to use its expertise and best understanding to develop a reasonable and rational interpretation, with the understanding that such interpretation is then subject to a significant level of deference. Matturri v. Board of Trustees of the Judicial Retirement System, 173 N.J. 368, 381 (2002). Accordingly, the Board HEREBY FINDS that the guiding statutory language for the sharing of costs associated with mandated interconnection is the “reasonable terms and conditions” element set forth in N.J.S.A. 48:5A-28(i), and not the “half of the CATV company’s absorbed costs for extension” language of N.J.S.A. 48:5A-28(m). All further discussions flow from this conclusion.

#### Points of PEG Interconnection

VNJ maintains that any interconnection should take place at the point of maximum aggregation. This point of maximum aggregation is typically a headend, sub-headend or hub. VNJ states that it should be allowed to interconnect at “the most efficient point(s) on the delivering provider’s system.” Any other interconnection point, VNJ claims, would be inconsistent with the intent of the Act because connection at a maximum aggregation point “minimizes the cost of interconnection and thus promotes competitive entry and expansion [and] helps new providers to expeditiously deliver existing PEG content to their subscribers.”

US Cable provided no position on this matter.

Rate Counsel claims that VNJ does not have to interconnect with a cable television company to effectuate the Act’s requirement. Instead, because VNJ is required to provide free cable service and Internet service to any municipal service property or school that requests it pursuant to N.J.S.A. 48:5A-28(j) and (k), VNJ could modify the drops in order to allow interconnection at the individual municipality. Thus, and in light of Rate Counsel’s claim that the Board does not have the authority to order interconnection but rather must adopt rules prior to imposing interconnection requirements, Rate Counsel asserts that the Board should direct interconnection to take place at the municipal end of each return line.

The LOM filed participant comments stating that municipalities are most interested in ensuring that PEG programming is made available as quickly and reliably as possible and that all cable subscribers in a municipality receive access to the same PEG programming regardless of the cable service provider. The LOM calls upon the Board to enforce the statutory mandate of the Act. In addition, the LOM argues that return feeds do not replace interconnection and that interconnection is in addition to, and not instead of, return feeds. Further, the LOM states, interconnection is vital for the provision of critical public information to all subscribers in a municipality, regardless of their cable television provider and thus interconnection must happen as soon as possible. As such, the LOM does not take an explicit position on the question of where interconnection should occur.

The Board, based upon all the testimony and its own expertise, is aware that an interconnection point for the purposes of sharing PEG programming content could be established at any technically feasible point between the point of signal origination and the point of maximum aggregation. That point of maximum aggregation, be it a headend, sub-headend, or hub, can vary based on a cable television company’s chosen method of PEG programming aggregation and transmission. Points of interconnection can be established through physical collocation at the signal provider’s facility, virtual collocation connections near a signal provider’s facility, or a connection at some remote meet point such as a local or other signal aggregation point.

In a physical collocation environment, the providing company maintains the physical security for the building, dedicated space for the connecting company's equipment, network wiring, environmental controls, battery and generator power backups. In a virtual collocation environment, the connecting company maintains its own facility, commonly in a vault or cabinet nearby the signal provider's facility, and is responsible for its own security, network wiring, environmental controls, and battery and generator power backups as well as for running a line into the signal provider's facility to establish the connection. With remote meet point connections, a local or other signal aggregation point connections could be made at the incumbent cable television company's point of signal aggregation or at the signal source. A connection at an aggregation point is similar to virtual collocation in that the connecting party is responsible to run its own line to the point of connection and is responsible for the installation and maintenance of its own equipment.

The Board agrees with Verizon that the point of interconnection should be to the point of maximum aggregation. While Rate Counsel asserts that Verizon should establish its own "interconnection" network at each municipal service property and school, the Board does not agree that this would effectuate the Legislative intent of an interconnection; that is, the sharing of PEG programming so that all residents in any municipality served by both US Cable and Verizon would receive the same municipal PEG programming. Therefore, the Board HEREBY FINDS that US Cable shall interconnect with VNJ at the point of maximum aggregation, specifically at its headend or sub-headends, as appropriate. Such interconnection shall be at either a physical or virtual collocation point if the parties can agree; if not, the Board HEREBY DIRECTS the interconnection to be through a virtual collocation because it places minimal additional burden on the incumbent cable television company, US Cable.

#### Costs

In order to meet general PEG programming obligations under its franchise, cable television companies have historically incurred a variety of capital, equipment, construction costs as well as training, support and other on-going operation and maintenance expenses to receive and ultimately broadcast PEG programming content to its subscribers. In the event of an interconnection between cable television companies, the providing party, which is usually the incumbent cable television company, incurs certain additional direct and indirect costs to accommodate the interconnection and provide the PEG feeds to the receiving company.

It is a general point of agreement that the costs incurred by virtue of an interconnection must be borne by the cable television company seeking interconnection, and that the providing cable television company in an interconnection relationship must be compensated for the costs it incurs as a result of the interconnection. It is the type and source of costs that are recoverable and ultimate level of compensation that is at issue.

VNJ's initial position set forth that, pursuant to N.J.S.A. 48:5A-28(m), it was only required to pay one-half of the incumbent cable television company's absorbed costs for interconnection. However, in later briefs, Verizon stated that it would pay the whole cost of the line extensions needed for interconnection, which it argues is consistent with N.J.S.A. 48:5A-28(m). Furthermore, it stated, the recoverable costs must be limited to the cost of the interconnection line extension itself. Verizon opines that "reasonable terms and conditions" provided for in N.J.S.A. 48:5A-28(i) do not apply to costs, only to the interconnection agreement document regarding insurance, indemnification, etc. VNJ's interconnection cost model combines its "non-recurring" interconnection costs (amortized over a ten (10) year term based upon a cost of capital assumption of 11.925%) with its "monthly recurring" interconnection charges, resulting in

a "Total Monthly Recurring Cost" per headend, sub-headend or hub. VNJ claims that incorporating non-recurring costs into the monthly recurring charges is a common method of cost recovery for interconnection agreements. VNJ has argued that N.J.S.A. 48:5A-28(m) is the only section which can be reasonably read to allow cost recovery for interconnection. VNJ maintains that US Cable should not be able to charge VNJ for any costs other than those associated with the actual physical interconnection line extension because the statute does not permit it. VNJ further maintains that PEG interconnection rates should be based on the actual additional costs incurred by the delivering company, in this case, US Cable, to extend its existing facilities to the point of interconnection. VNJ has also put forth two cost models, one for a "physical" collocation, that is, at US Cable's premises, and one for a "virtual" collocation, that is, at some point outside US Cable's premises but nearby.

As noted above, US Cable did not provide a proposal.

Rate Counsel asked that the Board require immediate interconnection, adopt its "program cost model" and establish an interim rate for interconnection at \$0.30 per subscriber subject to refund and true-up after agreement of the parties on all terms and conditions, including rates, of interconnection.

In order to obtain and ultimately provide PEG services, in the broadest sense of the term, a cable television company incurs a variety of costs. Such costs may include capital grants in the form of money, construction of studio or other facilities, provision of equipment like cameras or character generators, training on the use of the PEG equipment, and on-going operation and maintenance expenses for the PEG equipment itself. Cable television companies have also incurred costs to construct, operate and maintain facilities and transmit the PEG signals to a headend or other aggregation point for ultimate delivery over the network to the company's end users. To the extent these costs have already been incurred, the Board has determined that these costs, generally termed "legacy costs", are franchise-related costs and with limited exception they exist and remain whether or not any interconnection occurs. As such, they would generally not be recoverable as part of an interconnection agreement. Specifically, based on the testimony in the proceeding, the Board HEREBY FINDS that the recovery for capital grants must be excluded since the incumbent cable television operator indicated that the use of such funds is not audited or tracked to assure its use was restricted to PEG related needs.

One exception to the general exclusion of legacy costs would be if a new return line feed were required under a shared arrangement with an interconnecting company, a portion of the cost for that feed could be recoverable pursuant to N.J.S.A. 48:5A-28(m). Similarly, if the cable television company providing the interconnection incurs costs for on-going operation and maintenance of PEG equipment necessary in the production and transmission of PEG programming that are not otherwise covered by the municipality or through a portion of a capital grant for that purpose, a portion of these costs would legitimately be included in the group of recoverable costs.

Upon interconnection, the cable television company providing the interconnection would also incur certain costs that are directly attributable to the interconnection. Such costs include, but are not limited to, cables between its and the interconnecting company's facilities, cross connection between facilities, circuit engineering, video and audio distribution amplifiers, transmitters, equipment, specialized cabling, any labor costs for technicians if needed to maintain the interconnection. Also, there may be charges for space, equipment racks, security cages, commercial and back-up power, security access and escort at the provider's premises to

facilitate site access (where physical collocation is provided). In addition, there may be potential costs involving processing or otherwise conditioning the PEG signal for hand-off to the other provider aside from the cost for a signal receiver that matches the transmitter at the signal origination site and the cost to install it if it is on the provider's premises. The Board HEREBY FINDS that each of these costs, to the extent they are incurred by US Cable as a consequence of an interconnection with VNJ, would legitimately be included in a group of recoverable costs.

Also upon interconnection for PEG purposes, there are costs involved in transporting the PEG signal from point of signal origination to the provider's headend or other aggregation point for ultimate delivery over the receiving cable television company's network. The Board believes it is reasonable for a portion of the cost incurred for signal transport between the point of signal origination to the point of interconnection, as well as a share of the operation and maintenance of the return line facilities between these points to be included in the group of recoverable costs. Verizon seeks to limit the recovery by the cable television company with which it seeks to interconnection to the cost for line extension necessitated by the request for interconnection. As noted above, the Board does not believe that this proposal is reasonable. However, both US Cable's and Verizon's proposal for interconnection identify specific cost elements and the Board believes it is necessary to discuss costs elements that are and are not recoverable under the terms and conditions of the interconnection agreement. There are recurring and non-recurring costs. The Board believes that some pricing elements should be included in an interconnection agreement between Verizon and US Cable and some should not. In addition, some may not be applicable to US Cable's and Verizon's interconnection. A discussion of each follows:

a. Capital Grant to Municipalities. The Board HEREBY FINDS that any capital grant made to a municipality is non-recoverable; capital grants are part of doing business; that is, US Cable agreed to provide the grant in return for a franchise with a specific term and conditions agreed to by US Cable and the municipality.

b. PEG Equipment Grant. The Board HEREBY FINDS that PEG equipment grants are non-recoverable because, generally, there are no ongoing costs after the company provides them except as discussed in paragraph c below. US Cable does not maintain, repair or replace the equipment once granted to the municipality. US Cable has conferred ownership rights of the equipment to the municipality and therefore, PEG equipment grants are not entitled to recovery.

c. PEG Equipment Operation and Maintenance. The Board HEREBY FINDS that this element is recoverable where Verizon interconnects for the purpose of obtaining public access channels from US Cable which are not considered municipal PEG channels but these costs are only recoverable to the extent that US Cable maintains, repairs or replaces PEG equipment provided to the municipality. If there are any existing franchises which contain a requirement that US Cable maintain, repair and/or replace PEG equipment in a municipality, it is considered a recoverable cost, but only where Verizon does not have a return line that duplicates the PEG programming. Additionally, US Cable is not entitled to recover costs incurred in any future renegotiation of its franchises.

Furthermore, for any PEG equipment and studio operated and maintained by US Cable for use of residents of the municipalities they serve, the Board HEREBY FINDS that these costs are recoverable but only on a going forward basis. Recovery of past or sunk costs is unreasonable since US Cable received a benefit from the existence of its PEG equipment and studios, especially since most, if not all, are used for production of local origination ("L.O.") programming and even local insert commercials and programming. Therefore, recovery is permissible for any



costs other than L.O. or commercial use costs for equipment, production, operation, overhead, maintenance, etc. related to the purchase, repair, operation and maintenance of US Cable's PEG studios from the date an interconnection agreement is signed by the parties.

d. PEG Training. The Board HEREBY FINDS that this element is not recoverable. This is generally an aspect of franchise negotiations, or of good business practices. The Board disallows recovery of this element.

e. Return Line Construction, Operation and Maintenance. The Board HEREBY FINDS that these elements are recoverable on a going forward basis insofar as they benefit Verizon. Each element is discussed more fully below.

i. *Return line construction.* This element is recoverable only on a going forward basis for return line construction necessary to effectuate or maintain interconnection with Verizon. Additionally, US Cable is not permitted to recover costs for construction of return lines where Verizon already has return lines and is delivering the same PEG programming as US Cable does.

ii. *Return line operation.* The administrative aspect of this element (i.e., monitoring of the signal) is recoverable if the return line is shared with Verizon. To the extent that there are operational costs associated with the return line, those costs are recoverable.

iii. *Return line maintenance.* This element is recoverable to the extent the signal is shared with Verizon and if maintenance extends to upgrade or replacement. This element is only recoverable if Verizon does not already have a return line in the municipality that duplicates the signal provided by US Cable.

f. PEG Signal Transport. The Board HEREBY FINDS that this element is recoverable if US Cable pays cost to transport the PEG signal from its origination point to an aggregation and connection point and if the return line is shared with Verizon. This is an accommodation cost for Verizon. For example, where US Cable carries a PEG channel that may aggregate three connection points within a municipality on one channel, and Verizon wishes to receive all PEG signals transparently, it is Verizon's responsibility to pay an allocated portion of this transport since there is a network cost to "produce" the end product.

g. Physical Connection. The Board HEREBY FINDS that this element is recoverable. The full cost of cables, cross connect, circuit engineering, etc. must be paid by Verizon since it is seeking the interconnection and the cost would not be necessary if not for the request to interconnection by Verizon.

h. PEG Signal Conversion and/or Processing. The Board HEREBY FINDS that this element is recoverable if US Cable is required to process or otherwise condition the PEG signal for transport to Verizon. For example, if US Cable must convert an analog signal to a digital one or, it is required to ensure that the PEG signal meets requisite signal quality and integrity, sought by Verizon in its interconnection proposal. To the extent that additional costs are incurred by US Cable for PEG signal conversion and processing to accommodate the interconnection, Verizon is responsible for these costs.

Rate Counsel has requested that the Board establish an "interim rate" for interconnection at \$0.30 per subscriber, subject to refund and true-up after the parties reached an agreement on the terms and conditions of interconnection. The Board HEREBY FINDS that Rate Counsel's

proposal does not sufficiently address the interconnection issues raised in this proceeding. The costs associated with the delivery of PEG programming are independent of the number of customers receiving the PEG programming; this disconnect makes the imposition of a per-customer funding model unreasonable. Additionally, and as discussed above, the Board believes it has the authority to direct interconnection. Therefore, no "interim" rate need be established.

With regard to non-recurring costs, the Board HEREBY FINDS that it is reasonable for the parties to amortize the recovery of one-time non-recurring costs over the life of the interconnection agreement unless the parties agree to recover them as a lump-sum expense in the year they occur. These one-time non-recurring charges are considered capital costs. If the one-time non-recurring costs are amortized, the Board FINDS the amortization should be based on a cost of capital assumption derived from US Cable's cost of money, not on VNJ's cost of capital, as proposed by VNJ.

With regard to any recurring signal transport costs, the Board HEREBY FINDS it to be a reasonable surrogate for its own costs for US Cable to use existing cost tables where available. Since no other proposal for transportation costs was presented, the Board believes it is reasonable. US Cable is not in the business of transporting signals for other entities and should not be burdened with determining actual transportation costs, when Verizon already has a useable, tariffed model available.

### Conclusion

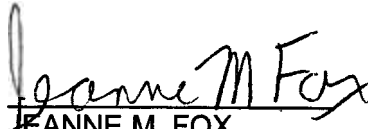
The Board HEREBY DIRECTS that US Cable and VNJ shall develop an agreement to allow for interconnection based upon this Order. The parties may, if they wish, negotiate an agreement with terms different from those set forth in this Order; if, however, no such agreement is completed and filed with the Board within 30 days of the issuance of this Order, the parties shall have the terms and conditions set forth in this Order imposed upon them. The Board directs the following timeline:

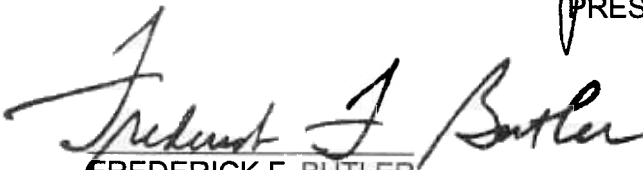
1. Within 30 days from the date of issuance of this order, the parties shall present a signed finalized agreement to the Board for its review or shall notify the Board that they have been unable to reach an agreement and will instead be bound by this Order.
2. Within 60 days from the date of issuance of this order, US Cable and Verizon shall have completed engineering and design of the interconnection and shall submit the same to the Board for its review.
3. Within 90 days from the date of issuance of this order, the interconnection shall be completed and the parties shall so certify to the Board.

As noted, the parties shall be relieved from any and all elements of this order, with the exception of the timeframe for completion of the interconnection specified above, if they can reach an interconnection agreement on mutually agreeable terms, or if both parties agree that interconnection is not necessary. If this occurs, the parties shall present the agreement to the Board for its review and approval and shall request relief of the ordering clauses contained herein.

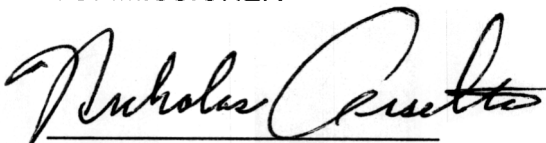
DATED: 10/15/08

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

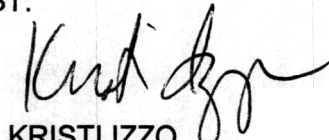
  
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COMMISSIONER

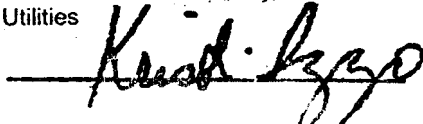
  
NICHOLAS ASSELTA  
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ELIZABETH RANDALL  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities



Verizon of New Jersey, Inc. - Request for Assistance Resolving Interconnection Negotiations  
with US Cable of Paramus - Hillsdale

Docket No. CO07070521

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