

NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF CABLE TELEVISION &
TELECOMMUNICATIONS

I/M/O CABLEVISION OF
ROCKLAND/RAMAPO, LLC
CONVERSION TO A SYSTEM-WIDE
CABLE TELEVISION FRANCHISE
BPU DOCKET No. CE10090684

FRANCHISE RENEWAL/
ASCERTAINMENT REPORT

JANUARY 25, 2017

Background/Procedural History

In August 2006, amendments to the New Jersey Cable Act, N.J.S.A. 48:5A-1 et seq. ("State Act") were enacted which were intended to accelerate cable competition and consumer choice. This legislation provided cable television operators a choice between acquiring traditional franchises town by town, as had been the practice in New Jersey since the 1970's, or applying directly to the Board of Public Utilities ("Board") for a system-wide cable television franchise. An additional relevant section of this law was the ability for incumbent cable television operators to automatically convert their existing cable television franchises to a system-wide cable television franchise, by notice to the Board and the affected municipality. (N.J.S.A. 48:5A-25.1(a))

Cablevision of Rockland/Ramapo, LLC (or "Cablevision") was the holder of two traditional municipal consent-based cable television franchises in New Jersey. On September 17, 2010, Cablevision notified the Borough of Montvale and the Board that it would convert the Borough of Montvale to a system-wide cable television franchise, pursuant to N.J.S.A. 48:5A-25.1(a). State law and Board rules require a cable television company operating under a municipal consent ordinance-based franchise converting to a system-wide cable television franchise to abide by the provisions of N.J.S.A. 48:5A-28(h) through (n). By virtue of conversion, Cablevision was relieved of any franchise obligations included in the municipal consent adopted by the Borough of Montvale.

Pursuant to the amended State Act (N.J.S.A. 48:5A-19(b)) and the Board's Regulations of Cable Television (N.J.A.C. 14:18-14.13), Cablevision's converted system-wide cable television franchise runs for a term of seven years from the date of the first conversion of a municipal consent-based franchise within its cable television system. Cablevision's system-wide cable television franchise is set to expire on September 17, 2017. Franchise renewal in New Jersey is governed by the federal Communications Policy Act of 1934, as amended ("Federal Act"), the amended State Act, and the Board's rules in the New Jersey Administrative Code ("N.J.A.C."). The Federal Act (47 U.S.C. §546) sets forth the *ascertainment* process required to be used by franchising authorities in the renewal process. Ascertainment is the term utilized to explain the fact-finding process used by franchising authorities to examine the past performance of the cable operator and identify the future cable-related needs of the community. The Board's

review of Cablevision's performance under its franchise as stated in both the State Act, and the Board's rules at N.J.A.C. 14:18-14.17(b), is specifically limited to:

1. Any Statewide needs and requirements as may be established by the State Cable Act;
2. The extent to which Cablevision has met its commitments pursuant to N.J.S.A. 48:5A-28 and the rules and regulations of the Office of Cable Television, in accordance with the State Cable Act; and
3. Performance and substantial compliance with material terms and conditions of Cablevision's existing system-wide cable television franchise based on notice and opportunity to cure under applicable Federal law as placed on the record.

The Board's rules at N.J.A.C. 14:18-14.17(c) require that, at least seven months prior to the expiration of the franchise, the Office of Cable Television & Telecommunications (OCTV&T) must issue an ascertainment report to the Board, which must be made available for public inspection.

On October 7, 2014, the OCTV&T notified Cablevision that the OCTV&T would review Cablevision's performance under its system-wide cable television franchise pursuant to Federal and state guidelines, as outlined above. On October 22, 2014, Cablevision notified the Board of its intention to renew its system-wide cable television franchise. On September 13, 2016, the OCTV&T invited Cablevision to file comments on its performance under its system-wide cable television franchise and to assess how it will meet the future needs of the communities listed in its franchise application. Cablevision filed its Initial Comments with the OCTV&T on December 22, 2016.¹ In its comments, Cablevision asserts that it has fulfilled its statutory obligations under the system-wide cable television franchise, and that current and future cable related needs of the Borough of Montvale are substantially fulfilled by the State Act's statutory obligations, including higher franchise fees, PEG programming, equipment and training and free municipal connections.

¹ See Attachment I

On June 21, 2016, Cablevision Systems Corporation was acquired by Altice, N.V. in a merger that was approved by the Board of Public Utilities on May 26, 2016 In The Matter of the Verified Joint Petition of Altice N.V. and Cablevision Systems Corporation and Cablevision Cable Entities for Approval to Transfer Control of Cablevision Cable Entities, Order Approving Stipulation Of Settlement, Docket No. CM15111255, effective May 27, 2016. As noted in the Board's order, Cablevision and/or Altice is required to abide by all of its obligations under existing franchise agreements, and all obligations, commitments or agreements shall continue in force in all respects under Altice's ownership.

PERFORMANCE CRITERIA

1. Any Statewide needs and requirements as may be established by the State Cable Act;

The State Cable Act limits what terms can be imposed on a cable television company operating under a system-wide cable television franchise, pursuant to N.J.S.A. 48:5A-28(h)-(n). With respect to these requirements, Cablevision reports:

The obligations imposed upon system-wide cable television franchisees by the New Jersey Cable Television Act are designed to delineate the cable-related needs of the communities included in such a franchise, and ensure a uniform cable service experience across those communities. By fulfilling its statutory obligations as a system-wide cable television franchise holder under the New Jersey Cable Television Act, Cablevision currently meets the existing cable-related needs of the communities it serves. Further, by committing to continue to meet all of these obligations for the duration of any renewed franchise in the future, as Cablevision of Rockland/Ramapo will do when it submits its renewal application, the Company will adequately address the future cable-related needs and interests of the system-wide cable television franchise communities.

2. The extent to which Cablevision has met its commitments pursuant to N.J.S.A. 48:5A-28 and the rules and regulations of the Office of Cable Television, in accordance with the State Cable Act;

Cablevision's commitments under its system-wide cable television franchise are delineated in the State Cable Act under N.J.S.A. 48:5A-28:

48:5A-28. Contents of application, commitments by system-wide cable television franchise

Each application for a municipal consent or system-wide cable television franchise shall contain:

...

h. (1) With regard only to applications for a system-wide cable television franchise, a commitment as to those municipalities that are served by a CATV company at the time of the application, to match or surpass any line extension policy operative at

the time the system-wide cable television franchise is granted and placed into effect prior to the enactment of P.L.2006, c.83 (C.48:5A-25.1 et al.) by a local franchise or certificate of approval, for the duration of the system-wide cable television franchise. In any event, the CATV company shall extend its plant along public rights-of-way to all residences and businesses within 150 aerial feet of the CATV company's existing plant at no cost beyond the normal installation rate, and to all residences and businesses within 100 underground feet of the CATV company's plant at no cost beyond the normal installation rate, and shall set a minimum house per mile density of not less than 35 homes per square mile.

(2) This commitment shall be in addition to any and all board orders and rules that impact upon the extension of plant, except that such commitment shall supersede the board's regulations adopted as N.J.A.C. 14:3-8.1 et seq., which shall not apply to CATV companies, including telecommunications service providers that have obtained a system-wide cable television franchise.

i. With regard only to applications for a system-wide cable television franchise, a commitment to provide to each municipality that is served by a CATV company, with two public, educational and governmental access channels. In the event that two or more access channels are requested by a municipality, the municipality shall demonstrate that its cable-related needs require the provision of such additional access channels. Any and all CATV companies operating in a municipality shall provide interconnection to all other CATV companies on reasonable terms and conditions, and the board shall adopt regulations for procedures by which disputes between such CATV companies shall be determined and expeditiously resolved. Each municipality or its nonprofit designee shall assume responsibility for the management, operations and programming of the public, educational and governmental access channels.

j. With regard only to applications for a system-wide cable television franchise, a commitment to install and retain or provide, without charge, one service outlet activated for basic service to any and all fire stations, public schools, police stations, public libraries, and other such buildings used for municipal purposes.

k. With regard only to applications for a system-wide cable television franchise, a commitment to provide free Internet service, without charge, through one service outlet activated for basic service to any and all fire stations, public schools, police stations, public libraries, and other such buildings used for municipal purposes.

l. With regard only to applications for a system-wide cable television franchise, a commitment to provide equipment and training for access users, without charge, on a schedule to be agreed upon between the municipality and the CATV company.

m. With regard only to applications for a system-wide cable television 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. With regard only to applications for a system-wide cable television franchise, a commitment to meet any consumer protection requirements applicable, pursuant to board regulations, to cable television companies operating under certificates of approval.

Cablevision's performance

(h) – Line Extension Policy

Under the system-wide cable television franchise structure, Cablevision is required to meet or exceed the line extension policy ("LEP") commitments that it had offered as the municipal consent-based franchise holder in each municipality served. An LEP is a cost sharing formula that determines the dollar amount to be shared between a cable operator and a potential customer for construction along public right-of-way outside of the area where the company has agreed to provide service at no cost beyond installation charges. In the Borough of Montvale, Cablevision does not employ a residential LEP. Cablevision provides service to all residents along public right-of-way at no cost beyond standard and non-standard installation charges. Cablevision of Rockland/Ramapo, LLC employs a commercial LEP which is applicable to businesses. Cablevision of Rockland/Ramapo, LLC continues these policies under its system-wide cable television franchise.

Cablevision of Rockland/Ramapo, LLC reports: *Through its municipal consent franchises, Cablevision of Rockland/Ramapo has previously constructed a system subject to the minimal line extension obligations prescribed by the Board. Pursuant to N.J.S.A. 48:5A-28(h), by virtue of converting its local franchises to*

the system-wide cable television franchise, Cablevision of Rockland/Ramapo is in compliance with the required line extension obligations.

Conclusion: The Office of Cable Television has received no complaints from residents regarding extension of service in the Cablevision system. Therefore, the OCTV&T finds that Cablevision is performing in accordance with its system-wide cable television franchise.

(i)/(l) – Public Educational and Governmental (PEG) access channels and equipment and training;

(j)/(k) – free basic cable and internet service to public schools, libraries and municipal bldgs.;

(m) – return feeds

The State Act requires that upon request, Cablevision provide to the Borough of Montvale: up to two PEG access channels with equipment and training, free basic cable and internet connections to certain municipal locations, and one free return line.

Cablevision of Rockland/Ramapo, LLC reports: *Pursuant to N.J.S.A. 48:5A-28(i) Cablevision of Rockland/Ramapo offers two public, educational and governmental (“PEG”) channels within the system-wide franchise area, based on the cable related needs of the municipality. Currently, the Borough of Montvale, which is the only municipality in the franchise area, is using one (1) channel. To meet its PEG access obligations, Cablevision of Rockland/Ramapo currently makes available a studio, training, and equipment to interested PEG access users resident within the franchise area, subject to its PEG access user policies, pursuant to N.J.S.A. 48:5A-28 (l).*

In addition, Cablevision of Rockland/Ramapo provides free basic video service and free Internet service within the franchise area. Where requested, Cablevision of Rockland/Ramapo has fulfilled its obligation under N.J.S.A. 48:5A-28(m) to provide return feeds to municipalities for the purpose of interconnecting to the Company’s system to distribute PEG programming.

Cablevision of Rockland/Ramapo provides other valuable programming and services to the community that exceeds statutory requirements for its system-

wide cable television franchise. The Company's award winning News 12 channel focuses on news for residents both in the system and throughout the state. It is the only cable news channel dedicated solely to New Jersey news. The Company's Optimum Community program, formerly called Power to Learn, provides schools with valuable community service and support, in addition to the free basic video service and Internet service described above.

Discussion: Cablevision, as a municipal consent-based cable television franchise holder was providing two PEG access channels to Borough of Montvale as well as free services to schools, libraries and municipal buildings, prior to the conversion to a system-wide cable television franchise. Cablevision is obligated to continue to provide two channels for PEG access pursuant to N.J.S.A. 48:5A-28(i); the Borough of Montvale currently uses one PEG access channel. Cablevision has provided a return line under its municipal consent-based cable television franchise.

Conclusion: As noted above, Cablevision is required to provide two PEG access channels to each municipality where such channels are requested. Cablevision is meeting this obligation. Therefore, the OCTV&T finds that Cablevision is in compliance with its system-wide cable television franchise.

(n) – Consumer protection requirements

Cablevision is required under the State Act to meet any consumer protection requirements under the Board's regulations.

Cablevision of Rockland/Ramapo, LLC reports: *Cablevision of Rockland/Ramapo has substantially complied with all consumer protection obligations under applicable law, as required by N.J.S.A. 48:5A-28(n). Among these, Cablevision of Rockland/Ramapo abides by the minimum customer service and consumer protection standards in the OCTVT regulations. Further, Cablevision of Rockland/Ramapo provides required "complaint officer" notifications, and maintains a required local business office, which is currently located at 235 West Nyack Road, West Nyack, New York, 10994.*

Cablevision of Rockland/Ramapo footnoted in its report: *Please note that the Company also maintains a local business office within the State of New Jersey, currently located at 40 Potash Road in the Borough of Oakland, which is accessible to subscribers within the franchise area.*

Discussion: Under the Board's rules, N.J.A.C. 14:18-16.7, a cable television company that is subject to effective competition may seek relief from the Board on certain notification and recordkeeping requirements. Cablevision sought relief under the rule and in September of 2011, was granted relief pursuant to the rule. In its request for relief, Cablevision committed to cooperate with any reasonable requests for information from the Board or Board staff regarding any matter for which relief was granted.

Additionally, under Cablevision's system-wide cable television franchise, the OCTV&T is the designated complaint officer.

Conclusion: The OCTV&T has received one written complaint on the Cablevision system in the six plus years from September of 2010 to December of 2016. The complaint was resolved. In addition, there were nine verbal complaints. All have been resolved. To date, the OCTV&T finds Cablevision has complied with the consumer protection requirements under the Board's rules.

3. Performance and substantial compliance with material terms and conditions of Cablevision's existing system-wide cable television franchise based on notice and opportunity to cure under applicable Federal law as placed on the record.

Pursuant to the Federal Act, if the franchising authority finds that there are any substantial violations of the current franchise, it must provide the cable operator "notice and opportunity to cure" (47 U.S.C.A. § 546(d)).

Cablevision of Rockland/Ramapo, LLC reports: *As required by law, Cablevision of Rockland/Ramapo has maintained during the term of the franchise all records of complaints received for a period of at least 3 years beyond the close of the calendar year of the report, and such records are available for inspection by staff of the OCTVT. Further, during the term of the franchise,*

Cablevision of Rockland/Ramapo has timely compiled and filed with the OCTVT the annual customer complaint reports required by N.J.S.A. 48:5A-26.1.

...

Cablevision of Rockland/Ramapo has materially complied with all of its existing franchise obligations, and the Company's performance record since its conversion to a system-wide cable television franchise supports renewal of the franchise.

Discussion: The OCTV&T completed a compliance review of all of the Cablevision systems in New Jersey, including the Cablevision of Rockland/Ramapo, LLC system. Compliance reviews are performed by the OCTV&T on an ongoing basis for each cable television company in the state. This compliance review encompassed CSC TKR, LLC and its Cablevision cable entities.²

The review uncovered a series of regulatory deficiencies which included timely channel allocation filings, required reports, customer notices and customer service standards. In order to resolve the issues, Cablevision submitted an Offer of Settlement on May 12, 2016 agreeing to remedial and corrective action. The matter was brought to the Board of Public Utilities in I/M/O the Alleged Failure of CSC TKR, LLC to Comply With Certain Provisions of the New Jersey Cable Television Act, N.J.S.A. 48:5A-1 et seq. and the New Jersey Administrative Code, N.J.A.C. 14:18-1.1 et seq., Docket No. CO16050416, and approved on May 25, 2016 (effective date June 4, 2016).

The OCTV&T will continue to monitor and review Cablevision's compliance with the above noted settlement as well as Cablevision's system-wide franchise and the Board's rules.

Conclusion: The OCTV&T finds that Cablevision is in compliance with the material terms and conditions of its system-wide cable television franchise.

² "Cablevision cable entities" refers to CSC TKR, LLC and its subsidiaries holding cable television franchises in New Jersey. These entities are: Cablevision of Hudson County, LLC; Cablevision of Monmouth, LLC; Cablevision of New Jersey, LLC; Cablevision of Newark; Cablevision of Oakland, LLC; Cablevision of Paterson, LLC; Cablevision of Rockland/Ramapo, LLC; Cablevision of Warwick, LLC; and CSC TKR, LLC (Elizabeth, Hamilton, Morris and Raritan Valley systems).

Future Cable Related Needs

Discussion: Cablevision of Rockland/Ramapo, LLC has complied with all aspects of its current system-wide cable television franchise. It is noted that at any time, a municipality may seek assistance from the Board of Public Utilities for any dispute regarding the company's compliance with N.J.S.A. 48:5A-28i-m, specifically dealing with PEG access channels; PEG access equipment and training; PEG access return lines; and free cable and Internet services to schools and municipal buildings. The OCTV&T has no unresolved complaints filed by the Borough of Montvale regarding the provisions of N.J.S.A. 48:5A-28i-m.

Conclusion: The OCTV&T finds that Cablevision of Rockland/Ramapo, LLC's past performance and compliance with its current system-wide cable television franchise as well its promised commitments, will ensure that the company meets the future cable-related needs of the communities it serves, as set forth in N.J.S.A. 48:5A-28h-n.

Additional information provided by Cablevision of Rockland/Ramapo, LLC

Cablevision of Rockland/Ramapo's parent company, Cablevision Systems Corporation, has, for over 40 years, provided advanced communications services to meet the needs of our customers. These services are the direct result of the billions of dollars in infrastructure investment made to build one of the most robust networks in the country.

Over the term of the existing system-wide franchise, the demands for connectivity by our New Jersey customers have increased significantly. Our New Jersey customers want access to data from anywhere, at any time and on a multitude of devices. Cablevision Systems Corporation has met that need by building an advanced, fiber-rich network and coupled it with the most innovative entertainment, information and communications services available in the world. Cablevision Systems Corporation serves over 1 million residential and small business customers in New Jersey using a hybrid fiber and coaxial cable system.

In its 2010 report to the legislature on the effects of the 2006 amendments to the Cable Television Act, the Board emphasized the benefit to consumers of more dynamic, better priced triple play (voice, video and data) service offerings by incumbent cable operators since the amendments were passed. Cablevision of Rockland/Ramapo continues to develop innovative and desirable packages to meet its customer(s)'s needs and to establish the Company's value in the marketplace with respect to its competitors.

Cablevision of Rockland/Ramapo's advanced and integrated consumer communications services include iO Interactive Optimum digital television, Optimum Online high speed Internet access, featuring free Optimum WiFi, and Optimum Voice digital voice offerings.

Small businesses are powered by the Company's world-class telecommunications network with our Optimum® for business digital services suite, which features our Optimum family of products. The Company also provides broadband, voice and video service to large, enterprise commercial customers through Lightpath, an award-winning competitive local exchange carrier with customers throughout New Jersey.

Some highlights of our Optimum products and services include:

- Broadband Service - Optimum Internet customers can purchase different levels of service including ultra-fast broadband Internet service offerings.*
- iPad App – the entire suite of more than 360 standard and high-definition channels live on the iPad and other mobile devices from anywhere in the home.*

- *TV to Go – More than 160 networks available to customers from mobile devices outside the home.*
- *Multi-Room DVR- The very first remote storage DVR that allows up to 15 simultaneous recordings (or 75 hours of HD recordings) while watching any channel and play back from multiple rooms within the home.*
- *Open-Connect – A unique partnership that has allowed the Company to deliver one of the best Netflix viewing experiences in the industry.*

While not subject to the Board's/OCTV&T's review under Cablevision's system-wide cable television franchise, such products and services helps to demonstrate the company's desire to continue to meet its customers' needs.

Next Steps

Pursuant to the Board's rules, within 90 days of the filing of the OCTV&T Ascertainment Report, Cablevision is required to file its franchise renewal application. Public hearings will be scheduled following the filing of the Cablevision's application to allow public comment.

Attachment I

Cablevision of Rockland/Ramapo, LLC

**Initial Comments in Support of the Renewal of its
System-wide Cable Television Franchise**

December 22, 2016



ROBERT HOCH
COUNSEL, LOCAL GOVERNMENT & REGULATORY AFFAIRS
RHOCH@CABLEVISION.COM
(516) 803-1872

December 21, 2016

Via Electronic Mail and FedEx

Ms. Lawanda R. Gilbert
Director
Office of Cable Television & Telecommunications
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suit 314
P. O. Box 350
Trenton, NJ 08625

**Re: Initial Comments of Cablevision of Rockland/Ramapo, LLC in Support of the
Renewal of its System-Wide Franchise**

Dear Ms. Gilbert:

Pursuant to your request of September 13, 2016, enclosed please find the Initial Comments of Cablevision of Rockland/Ramapo, LLC submitted in support of the renewal of its system-wide franchise.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Hoch", written in a cursive style.

Robert Hoch
Counsel, Local Government & Regulatory Affairs

**Initial Comments of Cablevision of Rockland/Ramapo, LLC
In Support of the Renewal of its System-Wide Franchise**

I. INTRODUCTION

Cablevision of Rockland/Ramapo, LLC (“Cablevision of Rockland/Ramapo,” or the “Company”) submits the following comments in response to the September 13, 2016 request of the Office of Cable Television & Telecommunications (“OCTVT”). In that request, OCTVT seeks comment on Cablevision of Rockland/Ramapo’s performance under its existing system-wide franchise, and on how the Company intends to meet the future needs of the system’s communities should the Board of Public Utilities (“Board”) renew the franchise.

As discussed in detail below, since converting its local franchises to the system-wide franchise, Cablevision of Rockland/Ramapo has met and surpassed the cable-related needs of the community served by the system-wide franchise, and will continue to do so by offering a broad range of innovative services to our customers and by continuing to fulfill our obligations within the statutory and regulatory framework of our system-wide authorization.

II. PROCEDURAL BACKGROUND

On September 16, 2010, Cablevision of Rockland/Ramapo notified the Board and the Borough of Montvale of its intention to convert its municipal consent-based franchise in the township to a system-wide franchise.¹ On December 12, 2010, the Board issued an Order acknowledging Cablevision of Rockland/Ramapo’s conversion of the Montvale franchise to a system-wide franchise, and establishing a seven-year franchise term, expiring on September 17,

¹ This conversion was permitted by one of the 2006 amendments to the New Jersey Cable Television Act. *See* N.J.S.A. 48:5A-25.1 (“A cable television company with a municipal franchise or franchises issued prior to the effective date of [the 2006 State Cable Act amendment] may, if it wishes, automatically convert any or all such franchise or franchises into a system-wide franchise upon notice to the board and the affected municipality”)

2017.² At this time, Cablevision of Rockland/Ramapo serves just the Borough of Montvale pursuant to its system-wide franchise.

On October 28, 2014, Cablevision of Rockland/Ramapo sent the Board a notice of its intention to seek a renewal of the system-wide franchise.³ OCTVT subsequently invited Cablevision of Rockland/Ramapo to comment on its performance and to assess how it will meet the future needs of the communities in the franchise area.⁴ As set forth below, Cablevision of Rockland/Ramapo's performance under its existing system-wide franchise, as well as its plans to meet the future needs of the communities within the system, support the renewal of its system-wide franchise.

III. ASSESSMENT OF CABLEVISION OF ROCKLAND/RAMAPO'S PAST PERFORMANCE AND PLANS TO MEET COMMUNITY NEEDS

In August of 2006, the New Jersey legislature enacted comprehensive amendments to the New Jersey Cable Television Act.⁵ This legislation created system-wide franchises, and imposed certain "restrictions and pre-conditions" on the scope of review of applications for renewals of such franchises.⁶ Cablevision of Rockland/Ramapo's renewal proceeding is limited to a determination of whether Cablevision of Rockland/Ramapo's forthcoming application

² *In the Matter of Cablevision of Rockland/Ramapo, LLC for the Conversion to a System-Wide Franchise in the Borough of Montvale*, Order, BPU Docket No. CE10090684 (December 16, 2010).

³ *Letter to Board Secretary Kristi Izzo From Cablevision Area Director, Government & Public Affairs R. Thurman Barnes* (October 28, 2014); *See also* 47 U.S.C. § 546(a) (establishing process for renewal that may be initiated either by the cable operator or the local franchising authority within the 6-month period beginning with the 36th month before franchise expiration).

⁴ *Letter to Cablevision Vice President, Regulatory & Government Affairs, Evlyn R. Tsimis, from Director Lawanda R. Gilbert* (September 13, 2016).

⁵ *See* P.L. 2006, c. 83.

⁶ *In the Matter of the Application of Verizon New Jersey, Inc. for Renewal of a System-wide Cable Television Franchise ("Verizon Renewal Order")*, System-wide Cable Television Franchise Renewal, Docket No. CE13080756, at 3 (Jan. 30, 2014).

complies with the requirements of N.J.S.A.48:5A-17 and 48:5A-28.⁷ Prior to approving a renewal, OCTVT shall review the past performance of the cable television operator holding a system-wide franchise, and assess the future cable-related needs and interests of the municipalities covered by the system-wide franchise, consistent with N.J.S.A. 48:5A-28.⁸

Under N.J.S.A. 48:5A-17, a system-wide franchise applicant must demonstrate that it is willing to conform with the rules and obligations applicable to cable operators under state and federal law.⁹ By virtue of Cablevision of Rockland/Ramapo's lawful operation under the prior municipal consent franchise approved by the Board, and Cablevision of Rockland/Ramapo's automatic conversion of this franchises to a system-wide franchise pursuant to N.J.S.A 48:5A-25.1,¹⁰ Cablevision of Rockland/Ramapo has previously met, and continues to meet, the obligations of N.J.S.A. 48:5A-17, and it will affirm its willingness to continue to do so in its application.

While Cablevision of Rockland/Ramapo's performance assessment herein is focused on the statutory obligations of N.J.S.A 48:5A-28, and related regulations, the scope of these comments does not limit Cablevision of Rockland/Ramapo's assessment that it is in substantial compliance with all statutory and regulatory obligations of a system-wide franchisee. Further, Cablevision of Rockland/Ramapo herein provides additional information for the Board's benefit,

⁷ *Id.* (quoting N.J.S.A. 48:5A-16(f)); *see also* N.J.A.C. 14:18-14.9.

⁸ *See* N.J.A.C. 14:18-14.17.

⁹ *Verizon Renewal Order*, at 4 ("N.J.S.A. 48:5A-17 permits the Board to issue a system-wide franchise following its review of the application, where it finds the applicant has complied or is ready, willing and able to comply with all applicable rules and regulations imposed or pursuant to State or federal law as preconditions for providing cable service.").

¹⁰ *See* note 5, above, for the complete list of communities converted by the Company from municipal consent franchises to the system-wide franchise pursuant to N.J.S.A 48:5A-25.1.

to give perspective on the wide range of services Cablevision of Rockland/Ramapo provides to subscribers in the franchise area.

A. Company Background

Cablevision of Rockland/Ramapo's parent company, Cablevision Systems Corporation, has, for over 40 years, provided advanced communications services to meet the needs of our customers.¹¹ These services are the direct result of the billions of dollars in infrastructure investment made to build one of the most robust networks in the country.

Over the term of the existing system-wide franchise, the demands for connectivity by our New Jersey customers have increased significantly. Our New Jersey customers want access to data from anywhere, at any time and on a multitude of devices. Cablevision Systems Corporation has met that need by building an advanced, fiber-rich network and coupled it with the most innovative entertainment, information and communications services available in the world. Cablevision Systems Corporation serves over 1 million residential and small business customers in New Jersey using a hybrid fiber and coaxial cable system.

In its 2010 report to the legislature on the effects of the 2006 amendments to the Cable Television Act, the Board emphasized the benefit to consumers of more dynamic, better priced triple play (voice, video and data) service offerings by incumbent cable operators since the amendments were passed.¹² Cablevision of Rockland/Ramapo continues to develop innovative

¹¹ On June 21, 2016, Cablevision Systems Corporation was acquired by Altice, N.V. in a merger which was previously approved by the Board on May 27, 2016 (see *In The Matter of the Verified Joint Petition of Altice N.V. and Cablevision Systems Corporation and Cablevision Cable Entities for Approval to Transfer Control of Cablevision Cable Entities*: Order Approving Stipulation Of Settlement. Docket No. CM15111255, effective May 27, 2016).

¹² New Jersey Board of Public Utilities Report to the Governor and Legislature, "*The Effects of the System-Wide Cable Television Franchise in New Jersey*," *Public Law 2006, Chapter 83* ("2010 System-Wide Franchise Report"), at iv & 11 (Jun. 2010).

and desirable packages to meet its customer(s)'s needs and to establish the Company's value in the marketplace with respect to its competitors.

Cablevision of Rockland/Ramapo's advanced and integrated consumer communications services include *iO Interactive Optimum* digital television, *Optimum Online* high speed Internet access, featuring free *Optimum WiFi*, and *Optimum Voice* digital voice offerings.

Small businesses are powered by the Company's world-class telecommunications network with our *Optimum® for business* digital services suite, which features our *Optimum* family of products. The Company also provides broadband, voice and video service to large, enterprise commercial customers through Lightpath, an award-winning competitive local exchange carrier with customers throughout New Jersey.

Some highlights of our *Optimum* products and services include:

- *Broadband Service* - *Optimum Internet* customers can purchase 6 different levels of service including *Optimum 300*, a 300 mbps broadband Internet service offering.
- *iPad App* – the entire suite of more than 360 standard and high-definition channels live on the iPad and other mobile devices from anywhere in the home.
- *TV to Go* – More than 160 networks available to customers from mobile devices outside the home.
- *Multi-Room DVR*- The very first remote storage DVR that allows up to 15 simultaneous recordings (or 75 hours of HD recordings) while watching any channel and play back from multiple rooms within the home.
- *Open-Connect* – A unique partnership that has allowed the Company to deliver one of the best Netflix viewing experiences in the industry.

B. Performance Under the Existing Franchise

For the purposes of assessing Cablevision of Rockland/Ramapo's performance during the current franchise term, the review period at issue runs from September 16, 2010 to the present.¹³ Cablevision of Rockland/Ramapo's franchise area consists of one fully built-out municipality converted to a system-wide franchise.¹⁴ The Company provides state-of-the art cable service (along with other advanced services) throughout its entire service footprint.¹⁵ Moreover, Cablevision of Rockland/Ramapo has at all times materially complied with the following obligations imposed upon system-wide franchisees:

Service Availability.¹⁶ Cablevision of Rockland/Ramapo or its predecessors have provided cable service to the system-wide franchise area since the early 1980s. Today, Cablevision of Rockland/Ramapo delivers cable service and other advanced digital services by maintaining dozens of miles of plant passing thousands of homes throughout the franchise area. Cablevision of Rockland/Ramapo has at all times during the term of the franchise complied with the statutory obligation prohibiting service discrimination against any group of potential residential cable subscribers because of the income levels of the residents of the local area in which such groups reside.

¹³ See 47 U.S.C. § 546(a)(1)(B) (stating that the scope of a franchise renewal proceeding under the Federal Cable Act is "for the purposes of . . . reviewing the performance of the cable operator under the franchise *during the then current franchise term*") (emphasis added).

¹⁴ In recognition of the different circumstances presented by an existing operator converting to a system-wide franchise as opposed to a new applicant, the legislature exempted those engaging in a conversion from having to identify their service area, describe the service to be provided, meet certain build out milestones and insurance requirements, and provide a schedule of rates. See N.J.S.A. 48:5A-25.1(a) (exempting existing operators converting municipal-consent based to system-wide franchises from requirements of N.J.S.A. 48:5A-28(a) to (g)).

¹⁵ The Company notes that a "system-wide franchise . . . shall not require . . . a CATV company with municipal consents issued prior to the effective date of [the 2006 Cable Television Act amendments] to operate outside of the areas covered by such consents." N.J.S.A. 48:5A-19(b).

¹⁶ See N.J.S.A. 48:5A-25.2(2)-(4).

Reporting. As required by law, Cablevision of Rockland/Ramapo has maintained during the term of the franchise all records of complaints received for a period of at least 3 years beyond the close of the calendar year of the report, and such records are available for inspection by staff of the OCTVT.¹⁷ Further, during the term of the franchise, Cablevision of Rockland/Ramapo has timely compiled and filed with the OCTVT the annual customer complaint reports, required by N.J.S.A. 48:5A-26.1.

Line Extension. Through its municipal consent franchises, Cablevision of Rockland/Ramapo has previously constructed a system subject to the minimal line extension obligations prescribed by the Board. Pursuant to N.J.S.A. 48:5A-28(h), by virtue of converting its local franchise to the system-wide franchise, Cablevision of Rockland/Ramapo is in compliance with the required line extension obligations.

Community Programming and Service. Pursuant to N.J.S.A. 48:5A-28(i) Cablevision of Rockland/Ramapo offers two public, educational and governmental (“PEG”) channels within the system-wide franchise area, based on the cable related needs of the municipality. Currently, the Borough of Montvale, which is the only municipality in the franchise area, is using one (1) channel. To meet its PEG access obligations, Cablevision of Rockland/Ramapo currently makes available a studio, training, and equipment to interested PEG access users resident within the franchise area, subject to its PEG access user policies, pursuant to N.J.S.A. 48:5A-28 (l).

In addition, Cablevision of Rockland/Ramapo provides free basic video service and free Internet service within the franchise area. Where requested, Cablevision of Rockland/Ramapo has fulfilled its obligation under N.J.S.A. 48:5A-28(m) to provide

¹⁷ See N.J.A.C. 14:18-6.7.

return feeds to municipalities for the purpose of interconnecting to the Company's system to distribute PEG programming.

Cablevision of Rockland/Ramapo provides other valuable programming and services to the community that exceed statutory requirements for its system-wide franchise. The Company's award winning News 12 channel focuses on news for residents both in the system and throughout the state. It is the only cable news channel dedicated solely to New Jersey news. The Company's *Optimum Community* program, formerly called *Power to Learn*, provides schools within the system-wide franchise area with valuable community service and support, in addition to the free basic video service and Internet service described above.

Consumer Protection. Cablevision of Rockland/Ramapo has substantially complied with all consumer protection obligations under applicable law, as required by N.J.S.A. 48:5A-28(n). Among these, Cablevision of Rockland/Ramapo abides by the minimum customer service and consumer protection standards in the OCTVT regulations.¹⁸ Further, Cablevision of Rockland/Ramapo provides required "complaint officer" notifications, and maintains a required local business office, which is currently located at 235 West Nyack Road, West Nyack, New York, 10994.¹⁹

Franchise Fees. Pursuant to N.J.S.A. 48:5A-30(d), Cablevision of Rockland/Ramapo pays a franchise fee in the amount of 3.5% to the municipality in the system, plus a payment of 0.5% to the State Treasurer to support the CATV Universal

¹⁸ See N.J.A.C. 14:18-3.1 through 3.27

¹⁹ See N.J.S.A. 48:5A-26. Please note that the Company also maintains a local business office within the State of New Jersey, currently located at 40 Potash Road in the Borough of Oakland, which is accessible to subscribers within the franchise area.

Access Fund. At all times during the term of the existing franchise, Cablevision of Rockland/Ramapo met its franchise fee obligations in accordance with applicable law, including timely payment of annual franchise fees by January 25th accompanied by the required written verifications.

Cablevision of Rockland/Ramapo has materially complied with all of its existing franchise obligations, and the Company's performance record since its conversion to a system-wide franchise supports renewal of the franchise.

C. Cable-Related Needs

The obligations imposed upon system-wide franchisees by the New Jersey Cable Television Act are designed to delineate the cable-related needs of the communities included in such a franchise, and ensure a uniform cable service experience across those communities. By fulfilling its statutory obligations as a system-wide franchise holder under the New Jersey Cable Television Act, Cablevision of Rockland/Ramapo currently meets the existing cable-related needs of the communities it serves. Further, by committing to continue to meet all of these obligations for the duration of any renewed franchise in the future, as Cablevision of Rockland/Ramapo will do when it submits its renewal application, the Company will adequately address the future cable-related needs and interests of the system-wide franchise communities.

IV. CONCLUSION

For the reasons outlined above, Cablevision of Rockland/Ramapo has fulfilled its obligations under its existing system-wide franchise and will continue to meet the needs of the community on a going-forward basis through its continued adherence to its obligations.

Cablevision of Rockland/Ramapo is confident that at the conclusion of the renewal process contemplated by the Federal Cable Act and the New Jersey Cable Television Act, the Board will grant Cablevision of Rockland/Ramapo a renewal of its system-wide franchise.