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Board of Public Utilities
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**OFFICE OF CABLE TELEVISION &
TELECOMMUNICATIONS (OCTV&T)**

I/M/O
CABLEVISION OF PATERSON, LLC FOR THE
CONVERSION TO A
SYSTEM-WIDE
CABLE TELEVISION FRANCHISE IN THE CITY
OF PATERSON

BPU DOCKET No. CE15010138

**FRANCHISE RENEWAL/
ASCERTAINMENT REPORT**

May 22, 2024

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 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 Paterson, LLC (“Cablevision”) was the holder of one (1) traditional municipal consent-based cable television franchise in the City of Paterson (“Paterson”). On January 29, 2015, Cablevision notified Paterson and the Board that it would convert the Paterson municipal-consent based franchise to a system-wide cable television franchise, pursuant to N.J.S.A. 48:5A-25.1(a). The Notice was received by the Board on January 30, 2015. State law and Board rules require a cable television company operating under a municipal consent-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 Paterson. The Board subsequently issued an order memorializing the conversion of the Paterson franchise and issuing a system-wide franchise for a term of seven years to expire on January 30, 2022.¹

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

¹ In re Cablevision of Paterson, LLC, for the Conversion to a System-wide Cable Television Franchise in the City of Paterson, BPU Docket No. CE15010138, Order dated March 18, 2015.

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 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 Act; and
3. Performance and substantial compliance with material terms and conditions of Cablevision's existing system-wide 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 February 27, 2019, Cablevision notified the Board of its intention to renew its system-wide cable television franchise. Thereafter, on October 1, 2021, the OCTV&T sent a letter to Cablevision informing the company that the Board would begin its formal review of the System-wide franchise. On January 9, 2024, the OCTV&T held a virtual ascertainment hearing pursuant to N.J.A.C. 14:18-14.17(a)(2) to take comments from the municipality and subscribers. No comments were made at the hearing, nor were any comments filed after the close of the hearing. On February 20, 2024, 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 March 19, 2024.² 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 municipalities served by Cablevision are substantially fulfilled by the State Act's statutory obligations, including higher franchise fees, PEG programming, equipment and training and free municipal connections.

² See Attachment II.

PERFORMANCE CRITERIA

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

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

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 Paterson 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 Paterson 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.

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 Act;

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

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

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

...

h. (1) With regard only to applications for a system-wide 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 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 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 franchise.

i. With regard only to applications for a system-wide 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 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 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 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 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 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. Cablevision does not use a residential LEP in its Paterson system; instead providing cable television service to all residents at no cost beyond standard and non-standard installation rates. However, Cablevision does employ a commercial LEP which is applicable to businesses. Cablevision continues these policies under its system-wide cable television franchise.

Cablevision reports: *Through its municipal consent franchises, Cablevision of Paterson 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 franchise, Cablevision of Paterson is in compliance with the required line extension obligations.*

Conclusion: The OCTV&T did not receive any complaints from residents regarding extension of service in the Paterson 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 municipalities: 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 reports: *Pursuant to N.J.S.A. 48:5A-28(i) Cablevision of Paterson offers three public, educational and governmental (“PEG”) channels within the municipality in the system-wide franchise area, based on the cable related needs of the municipality (see Exhibit A for number of PEG channels currently used by the municipality). Cablevision of Paterson 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 Paterson provides free basic video service and free Internet service within each of the communities in the system-wide franchise area. Where requested, Cablevision of Paterson 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 Paterson provides other valuable programming and services to the community that exceeds 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.

Discussion: Cablevision, as a municipal consent-based cable television franchise holder was already providing two (2) PEG access channels to each municipality, as well as free services to schools, libraries and municipal buildings, prior to the conversion to a system-wide cable television franchise. Cablevision currently provides three (3) PEG access channels and continues to provide free services to the designated municipal locations. Cablevision also continues to maintain return lines at City Hall, the Board of Education Building and the public access studio, located in Paterson.

Conclusion: Under N.J.A.C. 14:18-15.4(b) and 15.5(b), if a municipality and a cable television company operating under a system-wide cable television franchise cannot agree upon the terms and conditions specified above, either can request intervention by the OCTV&T. The OCTV&T has not received any complaints or requests for intervention regarding unmet obligations under

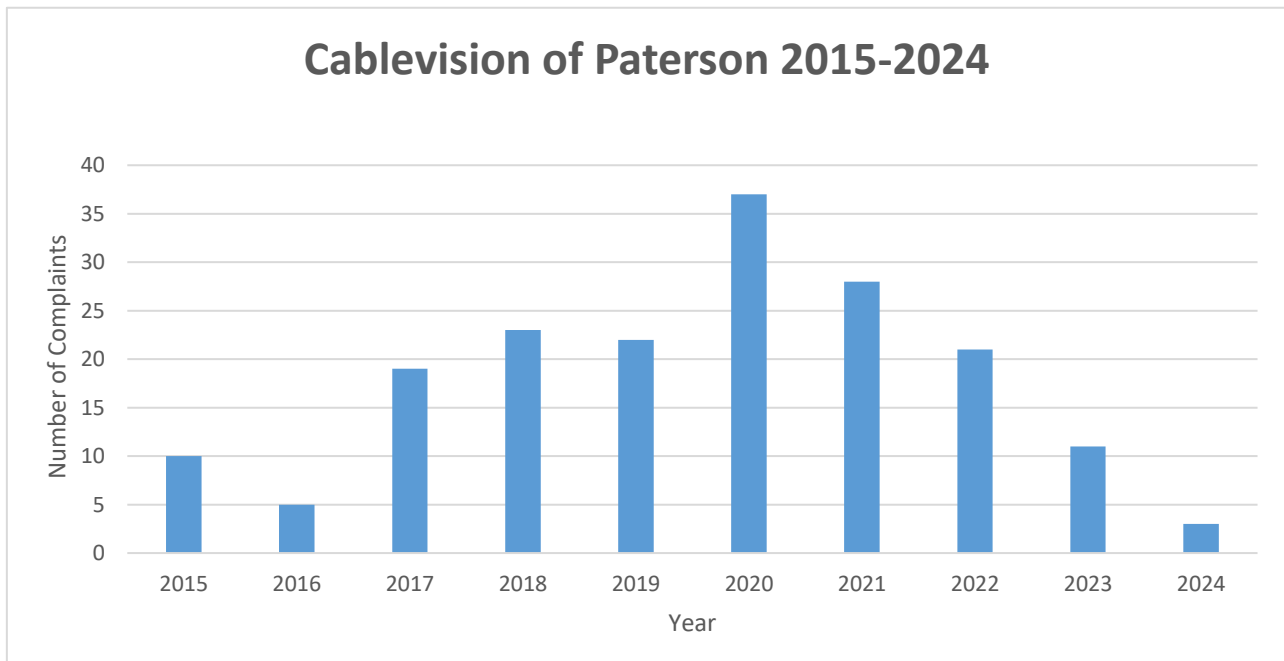
these provisions. The OCTV&T Staff has referred any inquiry from the municipality to the Company, which then addressed the municipality’s request, which meets the requirements of providing appropriate notice and allowing an opportunity to cure; however, the OCTV&T does not have any active requests at this time. 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 reports: *Cablevision of Paterson 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 Paterson abides by the minimum customer service and consumer protection standards in the OCTV&T regulations. Further, Cablevision of Paterson provides required “complaint officer” notifications, and maintains a required local business office, which is currently located at 100 Hamilton Plaza, Paterson, NJ 07505.*

Discussion: Pursuant to N.J.S.A. 48:5A-26(c), for all converted municipalities under Cablevision’s system-wide cable television franchise, the OCTV&T is the designated complaint officer. The OCTV&T has received 179 complaints for the Cablevision of Paterson system in the seven (7) year franchise term to present.



Upon review of the complaints filed since 2015, the data indicates successive increases of complaints, with a spike in 2020 and 2021, which may be attributable to the issues caused by the pandemic.

Cablevision's performance was impacted by several matters addressed by the Board during the franchise term:

- *In re 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*, Docket No. CM15111255, Order dated May 25, 2016. The Board issued its Order approving the sale of Cablevision to Altice, which required Altice to abide by all prior Cablevision franchise commitments.
- *In re the Alleged Failure of Altice USA, Inc. 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. CS18121288, Order dated December 18, 2018. The Board issued an Order to Show Cause against Altice regarding its failure to pro-rate customer bills upon termination of service. Altice's appeal of the matter was unsuccessful, with the NJ Supreme Court reinstating BPU's cease and desist order, without prejudice. See, *In the Matter of the Alleged Failure of Altice USA, Inc. 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.*, 253 N.J. 406 (2023).” On remand at the Appellate Division, the entirety of BPU's cease and desist order against Altice was reinstated on June 30, 2023. See, *In the Matter of the Alleged Failure of Altice USA, Inc. 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. A-1269-19 (App. Div. June 30, 2023).
- *In re Requests for an Investigation into the Operations of Altice USA in New Jersey*, Docket No. CX21020139, Order dated February 17, 2021. The Board issued an Order initiating an investigation into the adequacy of service provided by Altice following the receipt of received numerous complaints and inquiries from at least ten (10) municipalities and several state legislators concerning various issues experienced by their residents and constituents.

Following numerous discussions, a Stipulation of Settlement was reached between the municipalities, the Division of Rate Counsel and Board Staff, wherein Altice committed to capital investments totaling \$11 million to implement improvements to the infrastructure and customer service provided in New Jersey. The Stipulation was approved by the Board on January 10, 2024.

Conclusion: Cablevision experienced greater than normally expected increases in its complaint levels during the term of the franchise due to the change in its pro-ration policy and deficiencies in its customer service platforms during the COVID-19 pandemic. Following the NJ Supreme Court decision issued in April 2023, Cablevision returned to its former policy and is currently providing pro-rated billing to customers upon termination of service prior to the end of the billing cycle, in compliance of the Board's rules.

With respect to the pandemic, the OCTV&T acknowledges that all companies experienced difficulties during 2020 and 2021, due to the COVID 19 shut-downs. It is noted that the complaints have been trending downward since the peak in 2020. Additionally, Cablevision remedied the deficiencies discovered in its customer service platforms during the Board's investigation into Cablevision's service quality initiated in 2021. The investigation resulted in a Stipulation of Settlement between the parties, which included Cablevision's commitment to a minimum of \$11 million in capital expenditures to the infrastructure serving its New Jersey customers.

Based on the resolution of the matters discussed above, the OCTV&T finds Cablevision is currently in compliance 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 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. § 546(d)).

Cablevision reports: *As required by law, Cablevision of Paterson 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,*

timely compiled and filed with the Office of Cable Television the annual customer complaint reports required by N.J.S.A. 48:5A-26.1.

...

Cablevision of Paterson 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 based on statutory requirements.

Discussion:

Cablevision's performance was impacted by several matters addressed by the Board during the franchise term:

- *In re 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*, Docket No. CM15111255, Order dated May 25, 2016. The Board issued its Order approving the sale of Cablevision to Altice, which required Altice to abide by all prior Cablevision franchise commitments.

- *In re the Alleged Failure of Altice USA, Inc. 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. CS18121288, Order dated December 18, 2018. The Board issued an Order to Show Cause against Altice regarding its failure to pro-rate customer bills upon termination of service. Altice's appeal of the matter was unsuccessful, with the NJ Supreme Court reinstating BPU's cease and desist order, without prejudice. See, *In the Matter of the Alleged Failure of Altice USA, Inc. 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.*, 253 N.J. 406 (2023).” On remand at the Appellate Division, the entirety of BPU's cease and desist order against Altice was reinstated on June 30, 2023. See, *In the Matter of the Alleged Failure of Altice USA, Inc. 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. A-1269-19 (App. Div. June 30, 2023).

- *In re Requests for an Investigation into the Operations of Altice USA in New Jersey*, Docket No. CX21020139, Order dated February 17, 2021. The Board issued an Order initiating an investigation into the adequacy of service provided by Altice following the receipt

of received numerous complaints and inquiries from at least ten (10) municipalities and several state legislators concerning various issues experienced by their residents and constituents. Following numerous discussions, a Stipulation of Settlement has been reached between the municipalities, Rate Counsel and Staff, wherein Altice committed to capital investments totaling \$11 million to implement improvements to the infrastructure and customer service provided in New Jersey. The Stipulation was approved by the Board on January 10, 2024.

Conclusion: Based on the resolution of the matters discussed above, the OCTV&T finds Cablevision is currently in compliance with the material terms and conditions of its system-wide cable television franchise.

Additional information provided by Cablevision

Cablevision of Paterson herein provides additional information for the Board's benefit, to give perspective on the wide range of services Cablevision of Paterson provides to subscribers in the franchise area.

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. Cablevision of Paterson'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.

Cablevision has offered the following information regarding its products and services:

Some highlights of our Optimum products and services include:

- *Broadband Service - Optimum Internet customers can purchase 5 different levels of service including Optimum Ultra 101, a 101 mbps broadband Internet service offering, up to 1 Gig.*
- *iPad App – the entire suite of more than 360 standard and high-definition channels live on the iPad*
- *TV to Go – More than 100 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 help to demonstrate the company's desire to continue to meet its customers' needs.

Next Steps

Pursuant to the Board's rules, within ninety (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 Cablevision's application to allow public comment.

Attachment I

Cablevision of Paterson, LLC

System-wide Cable Television Franchise Municipalities

Attachment I

Cablevision of Paterson
System-wide Cable Television Franchise Municipalities

| # | Municipality | County | Date Converted |
|---|---------------|---------|-------------------|
| 1 | Paterson City | Passaic | 1/30/2015 |

Attachment II

Cablevision of Paterson, LLC

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

March 19, 2024

INITIAL COMMENTS OF CABLEVISION OF PATERSON, LLC IN SUPPORT OF THE RENEWAL OF ITS SYSTEM-WIDE FRANCHISE

I. INTRODUCTION

Cablevision of Paterson, LLC (“Cablevision of Paterson” or “Company” or “Cablevision”) submits the following comments in response to the February 20, 2024, request of the Office of Cable Television & Telecommunications (“OCTV&T”). In that request, OCTV&T seeks comment on Cablevision of Paterson’s performance under its existing system-wide franchise, and on how the Company intends to meet the future needs of the system’s sole community, City of Paterson, should the Board of Public Utilities (“Board”) renew the franchise.

As discussed in detail below, Cablevision is committed to ensuring that New Jersey residents and small businesses in the franchised areas have access to superior cable television service and non-cable communications services delivered over an upgraded network and supported by responsive operations and customer service resources. Moreover, the Company has and will continue to fulfill its obligations within the statutory and regulatory framework of our system-wide authorization.

II. PROCEDURAL BACKGROUND

On January 29, 2015, Cablevision of Paterson notified the Board and the City of Paterson of its intention to convert its municipal consent-based franchise in that City to a system-wide franchise.¹ On April 1, 2015, the Board issued an Order acknowledging Cablevision of

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”)

Paterson’s conversion of the City of Paterson franchise to a system-wide franchise, and establishing a seven-year franchise term, expiring on January 30, 2022.

On February 27, 2019, Cablevision of Paterson sent the City of Paterson and the Board a notice of its intention to seek a renewal of its system-wide franchise.² Thereafter, OCTV&T sent a letter to the Company on October 1, 2021, informing the Company that the Board would begin its formal review of its system-wide franchise.³ On January 9, 2024, a public hearing was held to assess the City of Paterson’s cable related needs and interests and to review, consistent with N.J.S.A. 48:5A-1 et seq., Cablevision of Paterson’s past performance. On February 20, 2024, OCTV&T invited Cablevision of Paterson to comment on its performance and to assess how it will meet the future needs of the city.⁴ As set forth below, Cablevision of Paterson hereby provides its initial comments in support of the renewal of its system-wide franchise outlining its performance under its existing system-wide franchise, as well as its plans to meet the future needs of the city.

III. ASSESSMENT OF CABLEVISION OF PATERSON’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

² *Letter to Paterson Mayor Andre Sayegh From Cablevision Senior Director, Government Affairs, Marilyn D. Davis* (Feb. 27, 2019); *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).

³ *Letter to Cablevision Senior Director, Government Affairs Marilyn Davis from Director Lawanda R. Gilbert* (Oct. 1, 2021).

⁴ *Letter to Cablevision Senior Director, Government Affairs Marilyn Davis from Director Lawanda R. Gilbert* (Feb. 20, 2024).

⁵ *See* P.L. 2006, c. 83.

imposed certain “restrictions and pre-conditions” on the scope of review of applications for renewals of such franchises.⁶ Cablevision of Paterson’s renewal proceeding is limited to a determination of whether Cablevision of Paterson’s forthcoming application complies with the requirements of N.J.S.A.48:5A-17 and 48:5A-28 regarding its provision of cable television service.⁷ Prior to approving a renewal, OCTV&T 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 Paterson’s lawful operation under the prior municipal consent franchise approved by the Board, and Cablevision of Paterson’s automatic conversion of this franchise to a system-wide franchise pursuant to N.J.S.A. 48:5A-25.1, Cablevision of Paterson has previously met, and continues to meet, the obligations of N.J.S.A. 48:5A-17, and it affirms its willingness to continue to do so in its application.

While Cablevision of Paterson’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

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).

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.”).

does not limit Cablevision of Paterson's assessment that it is in substantial compliance with all statutory and regulatory obligations of a system-wide franchisee. Further, Cablevision of Paterson herein provides for informational purposes additional information for the Board's benefit, to give perspective on the wide range of services Cablevision of Paterson provides to subscribers in the franchise area.

A. Company Background

Cablevision, together with its affiliates operating under the Optimum brand (hereafter referenced collectively as Cablevision), have a long record of deploying and operating high-capacity networks – serving approximately 4.8 million residential and business subscribers in twenty-one states with advanced cable television services, in addition to broadband internet, fixed voice and mobile services to service customers' communications needs. In New Jersey, where the Company serves its customers in over 200 communities, all households and businesses passed by the Optimum network have access to the full Optimum cable programming suite and high-speed broadband plans.

Cablevision has made New Jersey a focus of its network investment – upgrading its existing hybrid fiber-coaxial cable (HFC) network, which serves the majority of its New Jersey customers, to offer its 1 Gig product. In response to customer demands for greater connectivity and to address isolated pockets of congestion associated with greater network usage, the Company has made significant investments to add capacity to its HFC network to improve service, address increased demand and enhance network resilience, and has taken proactive measures to improve its field and customer service operations in New Jersey.¹⁰

¹⁰ Cablevision shares this background to OCTV&T to illustrate its comprehensive suite of products and its commitment to its customers. As such, this is shared for informational purposes only and is not intended to confer jurisdiction over broadband or other non-cable services or expand the scope of the

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.¹¹ Cablevision of Paterson 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. Customers passed by the Optimum network have access to cable television, high-speed broadband, voice, and mobile products.

The Company would specifically highlight the following Optimum products and services:

Optimum TV Programming and Services: Optimum TV services include access to a suite of more than 200 standard and high-definition channels – with popular basic and premium networks, hyperlocal, business, national and international news through News 12, i24NEWS, Video-on-Demand and the Optimum TV video app, and Cloud-based DVR with up to 150 hours of storage.

Optimum Stream and Apple TV: Optimum continues to offer innovative options for customer equipment and set-top boxes, including our latest, Optimum Stream – a 4K capable “all-in-one” home entertainment platform that provides Optimum TV customer with 200+ Live TV channels, On Demand and DVR, plus access to all the most popular

Board's review of whether Cablevision meets the legal qualifications for a renewal of its systemwide cable franchise.

¹¹ 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).

streaming apps (e.g., Netflix, Max, YouTube, Disney+, Amazon Prime Video, Hulu and more) along with a voice-enabled remote control.

New My Optimum Customer Portal: As part of a broader commitment to improved customer experience, the Company recently launched a redesigned Optimum customer portal with streamlined account creation, account management, and more, coupled with an improved customer support experience.

Optimum Broadband: Today, all Optimum NJ households have access to a range of high-speed broadband products up to 1 Gig at pro-consumer price points and Smart WiFi. The Company is also a participant in the FCC’s Affordable Connectivity Program (ACP) – the current Optimum ACP offering provides eligible NJ households with 300 Mbps fixed home internet for free when the \$30 ACP benefit is applied.¹² ACP households can also apply the \$30 monthly benefit to any Optimum broadband plan in New Jersey.

Optimum Mobile: The Company offers a mobile product through which New Jersey residents can obtain unlimited nationwide talk and text on their iPhone, Galaxy and other smart phone models. Earlier this year, the Company launched its “Optimum Complete” offer – combining Optimum Internet and Mobile at great savings to consumers.

¹² Optimum, Affordable Connectivity Program, <https://www.optimum.com/affordable-connectivity-program> (last accessed Sept. 25, 2023).

B. Performance Under the Existing Franchise

For the purposes of assessing Cablevision of Paterson's performance during the current franchise term, the review period at issue runs from January 29, 2015 to the present.¹³ Cablevision of Paterson's franchise area consists of a fully built-out community 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 Paterson has at all times materially complied with the obligations imposed upon system-wide franchisees:

Service Availability.¹⁶ Today, Cablevision of Paterson delivers cable service and other advanced digital services by maintaining hundreds of miles of plant passing to tens of thousands of homes throughout the franchise area. Cablevision of Paterson 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.

Reporting. As required by law, Cablevision of Paterson 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

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).

the Office of Cable Television & Telecommunications.¹⁷ Further, during the term of the franchise, Cablevision of Paterson has timely compiled and filed with the Office of Cable Television & Telecommunications the annual customer complaint reports, required by N.J.S.A. 48:5A-26.1.

Line Extension. Through its municipal consent franchise, Cablevision of Paterson 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 Paterson 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 Paterson offers three public, educational and governmental (“PEG”) channels to the municipality in the system-wide franchise area, based on the cable related needs of the municipality (see Exhibit A for number of PEG channels currently used by municipality).

Cablevision of Paterson makes available a studio, training, and equipment to interested PEG access users 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 Paterson provides free basic video service and free Internet service within the community in the system-wide franchise area. Where requested, Cablevision of Paterson 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.

¹⁷ See N.J.A.C. 14:18-6.7.

Cablevision of Paterson 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.

Consumer Protection. Cablevision of Paterson 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 Paterson abides by the minimum customer service and consumer protection standards in the OCTV&T regulations.¹⁸ Further, Cablevision of Paterson provides required "complaint officer" notifications, and maintains a required local business office, which is currently located at 100 Hamilton Plaza, Paterson, NJ 07505.¹⁹

Franchise Fees. Pursuant to 48:5A-30(d), Cablevision of Paterson 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 Access Fund. At all times during the term of the existing franchise, Cablevision of Paterson 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 Paterson 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.

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

¹⁹ See N.J.S.A. 48:5A-26.

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 Paterson currently meets the existing cable-related needs of the city 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 Paterson 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 for its sole community, the City of Paterson.

IV. CONCLUSION

For the reasons outlined above, Cablevision of Paterson 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 Paterson 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 Paterson a renewal of its system-wide franchise.