



State of New Jersey
Board of Public Utilities
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Jon S. Corzine
Governor

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MEMORANDUM

To: William G. Dressel, Jr.
Executive Director, New Jersey League of Municipalities

From: Celeste Fasone
Director, BPU Office of Cable Television

Subject: Implementation of PEG access provisions of the '06 system-wide franchising law

Date: August 2, 2007

This memorandum regards the implementation of the public, governmental, and educational (PEG) access provisions of the State's 2006 system-wide franchising law.

There are five relevant elements under the law:

1. Interconnection with existing operators' PEG access channels;
2. "Return line" feeds;
3. Additional access channels for individual municipalities above and beyond the two required under the system-wide franchise;
4. Training and equipment for the users of access channels and facilities; and
5. Free service to municipal facilities.

At the outset, it should be noted that the statutory requirements under a system-wide franchise law do not always match the requirements established for cable systems already operating under a municipal consent franchise. Existing access arrangements can vary considerably from municipality to municipality.

Under the new law, the system-wide cable operator (Verizon) must negotiate terms and conditions for interconnection of the PEG access channels with the existing operator(s) (Cablevision and Patriot). The Legislature did not set a time limit for this process. The Board of

Public Utilities' regulations allow a "reasonable" time for such negotiations, after which either company can ask the Board for assistance in resolving the impasse. On July 13, 2007, Verizon filed an initial request with the Board regarding each of the five pre-existing cable operators in its service territory. **The cable companies were notified the day of the filing.** On July 19, the BPU's Office of Cable Television (OCTV) wrote each of the five cable operators asking them to answer the petition by August 10, after which the OCTV will review the unresolved issues and arrange a settlement conference.

According to the statute, the system-wide franchise operator, upon request from a municipality, must provide a "return feed," which enables the municipality to feed access content generated at the designated facility (e.g., school, municipal building, or access studio) into the system for distribution over the local access channel(s). To start this process, interested municipalities are advised by the OCTV to make such a request in writing to Verizon (with a copy forwarded to the OCTV). The system-wide operator and the municipality must agree upon a deadline for providing the return feed.

In order to obtain additional access channels, the municipality must make a request demonstrating how its needs require the additional channels. If the municipality and the system-wide franchise holder cannot agree, either party may formally request that the OCTV help to resolve the matter.

Municipalities and the system-wide franchise holder must also agree upon a schedule for providing equipment and training for access users. Verizon is negotiating a contract with a consortium of New Jersey colleges to provide the training using the college studio facilities and equipment. The rules allow either party to "contact" the OCTV for mediation if it believes the other is being unreasonable in meeting the requirement.

In the event that a matter cannot be successfully mediated by the OCTV in all of the above situations, it will be referred to the Office of Administrative Law for hearing and decision.

It is very important that State, county and municipal officials understand the rights and responsibilities of the cable television franchise holders as well as the various governmental entities in ensuring that such programming is available to all cable TV customers under the statute and its regulations.