SCHENCK, PRICE, SMITH & KING, LLP

ATTORNEYS AT LAW

TELECOPIER (973) 540-7300

NEW YORK OFFICE 101 PARK AVENUE - 37TH FLOOR NEW YORK, N.Y. 10178-3898 (212) 986-6482 10 Washington Street Morristown, New Jersey 07963 (973) 539-1000 www.spsk.com JAMES ERIC ANDREWS

DIRECT LINE: (973) 540-7354 INTERNET: JEA@SPSK.COM

Reply to: P.O. Box 905 Morristown, New Jersey 07963-0905

September 10, 2002

Amy Groveman, Esq. Cablevision Systems Corporation 1111 Stewart Ave. Bethpage, NY 11714

Re: Borough of Netcong COA CE02050288



Dear Amy:

Enclosed please find a copy of the Certificate of Approval for the Borough of Netcong that was signed by the Board on September 5, 2002.

Very truly yours,

Schenck, Price, Smith & King

James Eric Andrews

cc. Kate Murphy, V.P., Gov't Affairs (w/encl.)

Locument #: 559605/JEA ----



Agenda Date: 09-04-02

Agenda Item: 3A

STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.bpu.state.nj.us

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF CSC TKR,
INC. D/B/A CABLEVISION OF MORRIS FOR RENEWAL)
OF A CERTIFICATE OF APPROVAL TO CONTINUE
TO OPERATE AND MAINTAIN A CABLE TELEVISION
SYSTEM IN THE BOROUGH OF NETCONG, COUNTY
OF MORRIS, STATE OF NEW JERSEY

RENEWAL CERTIFICATE OF APPROVAL

DOCKET NO. CE02050288

Schenck, Price, Smith & King, Morristown, New Jersey, by James Eric Andrews, Esq., for the Petitioner.

Borough Clerk, Borough of Netcong, New Jersey, by Dolores Dalessandro, for the Borough.

BY THE BOARD1:

On April 15, 1981, the Board granted Sammons Cable TV, Inc. ("Sammons") a Certificate of Approval in Docket No. 7912C-6612 for the construction, operation and maintenance of a cable television system for the Borough of Netcong ("Borough"). On October 13, 1992, the Board granted Sammons a Renewal Certificate of Approval for the Borough in Docket No. CE91091465. On February 28, 1996, in Docket No. CM95080400, the Board approved the transfer of the Certificate of Approval from Sammons to TKR Cable Company ("TKR"). On December 17, 1997, in Docket No. CF97090674, the Board approved the transfer of the Certificate of Approval for the Borough from TKR to CSC TKR d/b/a Cablevision of Morris ("Petitioner"). Although the Petitioner's Certificate expired on April 15, 2001, it is authorized to continue to provide cable service to the Borough pursuant to N.J.S.A. 48:5A-25.

The Petitioner filed an application for the renewal of its municipal consent with the Borough on August 31, 2000, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. The Borough, after public hearing, adopted a municipal ordinance granting renewal consent on December 19, 2001. On March 7, 2002, the Petitioner formally accepted the terms and conditions of the ordinance, in accordance with N.J.S.A. 48:5A-24.

¹ Commissioner Carol J. Murphy did not participate in the deliberations or vote on this matter.

On May 10, 2002, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Borough. The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board HEREBY FINDS the following:

- 1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Renewal Certificate of Approval. Further, the Borough reviewed these qualifications in conjunction with the municipal consent process. See N.J.S.A. 48:5A-22 to 29 and N.J.A.C. 14:18-13.
- 2. The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
- 3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
- 4. The franchise period as stated in the ordinance is eight years from the date of issuance of this Certificate with an automatic renewal provision for a term of eight years thereafter pursuant to N.J.S.A. 48:5A-19 and -25. The Board finds these periods to be of reasonable duration.
- 5. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain informational tariffs for unregulated service rates and promptly file any revisions thereto.
- 6. Pursuant to N.J.S.A. 48:5A-26(a), the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the Borough. In this case, it is the Office of the Borough Administrator. All complaints shall be received and processed in accordance with N.J.A.C. 14:17-6.5.
- 7. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office is located at The Wiz, Roxbury Mall, 275-110 Route 10, in Succasunna (Roxbury Township), New Jersey.
- 8. The franchise fee to be paid to the Borough is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the Borough. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
- 9. The Petitioner shall utilize the line extension policy attached to this Certificate as Appendix "I" with a homes per mile of 25.

- 10. The Petitioner shall provide public, educational and governmental ("PEG") access channels and facilities in accordance with its renewal application and the ordinance. Specifically, the Petitioner maintains one channel for community and governmental access programming, which is shared with its local origination channel and bulletin board, and one channel for educational access programming.
- 11. The Petitioner maintains a studio at its Randolph offices, which is available for PEG access usage. The Petitioner provides training workshops to instruct interested community members in the aspects of working the studio. The Petitioner's staff assists various community groups by producing programs and/or public service announcements.
- 12. The Petitioner shall provide the Borough with a capital contribution in the amount of \$6,000.00 to be applied toward the purchase of telecommunications related services from the Petitioner.
- 13. The Petitioner shall provide the standard installation and monthly basic service, free of charge, to all state accredited public schools, public libraries and municipal buildings designated for governmental use in the Borough.
- 14. When high-speed Internet access via cable modem becomes commercially available to residents in the Borough, the Petitioner shall provide, free of charge, one high-speed cable modem and monthly Internet access service, including standard installation, to all State accredited public schools and public libraries in the Borough.
- 15. When high-speed Internet access via cable modem becomes commercially available to residents in the Borough, and upon written request of the Borough, the Petitioner shall provide free of charge one high-speed cable modem and monthly Internet access service, including standard installation, to one municipal location in the Borough. The Borough shall be permitted to network up to three additional personal computer terminals in the designated building.
- 16. Upon 30 days' notice by the Borough, the Petitioner shall make available representatives for a biannual meeting with the Borough for the purpose of reviewing the Petitioner's performance. The Petitioner shall also make available representatives to meet with the Borough upon request for reasons other than the biannual meeting.

Based upon these findings, the Board <u>HEREBY CONCLUDES</u>, pursuant to <u>N.J.S.A.</u> 48:5A-17(a) and 28(c), that the Petitioner has sufficient financial and technical capacity and meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is <u>HEREBY ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Borough.

This Renewal Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein.

The Petitioner shall adhere to the operating standards set forth by the Federal Communications Commission's rules and regulations, 47 <u>C.F.R.</u> Section 76.1 <u>et seq.</u> Any modifications to the provisions thereof shall be incorporated into this Certificate. Additionally and more specifically, the Petitioner shall adhere to the technical standards of 47 <u>C.F.R.</u> Part 76, Subpart K.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire eight years from the date of its issuance.

DATED:

9/5/02

BOARD OF PUBLIC UTILITIES BY:

JÉANNE M. FOX

PRESIDENT

FREDERICK F. BUTLER

COMMISSIONER

CONNIE O. HUGHES COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY

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



Borough of Netcong

23 MAPLE AVENUE NETCONG, NEW JERSEY 07857

DOLORES DALESSANDRO Borough Clerk/Tax Collector

January 3, 2002

Mr. Vernon Richardson, Government Affairs Manager Cablevision 683 Route 10 East Randolph, N.J. 07969

Dear Mr. Richardson:

Enclosed please find Ordinance No. 2001-22, which was adopted by the Mayor and Council of Netcong Borough on December 13, 2001. I am providing you with this copy at the request of Marvin Joss, Borough Administrator.

If you have any questions, or need additional information, please feel free to call me at 973-347-3395.

Sincerely,

Dolores Dalessandro

Borough Clerk

BOROUGH OF NETCONG ORDINANCE NO. 2001-22

AN ORDINANCE GRANTING MUNICIPAL CONSENT FOR THE OPERATION OF A CABLE TELEVISION SYSTEM WITHIN THE BOROUGH OF NETCONG, NEW JERSEY TO CSC TKR, Inc.

WHEREAS, the governing body of the Borough of Netcong (hereinafter referred to as the "Borough") determined that CSC TKR, Inc. d/b/a Cablevision of Morris, (hereinafter referred to as "the Company" or "Cablevision") had the technical competence and general fitness to operate a cable television system in the Borough, and by prior ordinance granted its municipal consent for Cablevision, or its predecessor in interest, to obtain a non-exclusive franchise for the placement of facilities and the establishment of a cable television system in the Borough; and

WHEREAS, by application for renewal consent filed with the Borough and the Office of Cable Television on or about July 7, 2000, Cablevision has sought a renewal of the franchise; and

WHEREAS, the Borough having held public hearings has made due inquiry to review Cablevision's performance under the Franchise, and to identify the Borough's future cable-related needs and interests and has concluded that Cablevision has substantially complied with its obligations under the Franchise and has committed to certain undertakings responsive to the Borough's future cable-related needs and interests; and

WHEREAS, the governing body of the Borough has accordingly concluded that the consent should be renewed subject to the requirements set forth below; and that, provided Cablevision's proposal for renewal embodies the commitments set forth below, the Borough's municipal consent to the renewal of the Franchise should be given;

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Netcong, County of Morris, and State of New Jersey, as follows:

SECTION 1. DEFINITIONS

For the purpose of this Ordinance the terms defined below shall have the meanings there indicated, and the following additional terms shall have the following meanings:

"Act" or "Cable Television Act" shall mean that statute of the State of New Jersey relating to cable television, known as the Cable Television Act, N.J.S.A. 48:5A-1 et seq.

"Application" shall mean Cablevision's application for Renewal of Municipal Consent, which application is on file in the Borough Clerk's office and is incorporated herein by reference and made a part hereof, except as modified, changed, limited or altered by this Ordinance.

"Board" shall mean the Board of Public Utilities of the State of New Jersey or its successor agency.

"Borough" shall mean the governing body of the Borough of Netcong in the County of Morris, and the State of New Jersey.

"Company" shall mean CSC TKR, Inc. d/b/a Cablevision of Morris ("Cablevision") the grantee of rights under this Ordinance.

"FCC" shall mean the Federal Communications Commission.

"Federal Act" shall mean that federal statute relating to cable communications commonly known as the Cable Communications Policy Act of 1984, 47 U.S.C. Section 521 et seq. and the Telecommunications Act of 1996, or as those statutes may be amended.

"Federal Regulations" shall mean those federal regulations relating to cable television services, 47 C.F.R. Section 76.1 et eq. (and, to the extent applicable, any other federal rules and regulations relating to cable television, including but not limited to, those described in 47 C.F.R. Section 76.3), or as such regulations may be amended.

"State" shall mean the State of New Jersey.

"State Regulations" shall mean those regulations of the State of New Jersey Board of Public Utilities relating to cable television. N.J.A.C. 14:17-1.1 et seg. and N.J.A.C. 14:18-1 et seg., or as such regulations may be amended.

SECTION 2. STATEMENT OF FINDINGS

A public hearing concerning the consent herein granted to Cablevision was held after proper public notice pursuant to the terms and conditions of the Act. Said hearing having been held and fully open to the public, and the municipality having received all comments regarding the qualifications of Cablevision to receive this consent, the Borough hereby finds Cablevision possesses the necessary legal, technical, character, financial and other qualifications to support municipal consent, and that Cablevision's operating and construction arrangements are adequate and feasible.

SECTION 3. GRANT OF AUTHORITY

The Borough hereby grants to Cablevision its non-exclusive consent to place in, upon, along, across, above, over, and under its highways, streets, alleys, sidewalks, public ways, and public places in the municipality poles, wires, cables, and fixtures necessary for the maintenance and operation in the Borough of a cable television system, and for the provision of any communication service over the system as may be authorized by federal or State regulatory agencies. Operation and construction, pursuant to said consent, is conditioned upon prior approval of the Board of Public Utilities.

SECTION 4. DURATION OF FRANCHISE

This consent granted herein shall be non-exclusive and shall be for a term of eight (8) years from the date of issuance of a Certificate of Approval by the Board.

SECTION 5. AUTOMATIC RENEWAL TERM

The consent granted herein is subject to an automatic renewal term of eight (8) years in accordance with the procedures set forth in N.J.S.A 48:5A-19 and 25 and N.J.A.C. 14:18-13.6 et seq.

SECTION 6. EXPIRATION AND SUBSEQUENT RENEWAL

If Cablevision seeks successive consent, it shall, prior to the expiration of this consent, apply for a municipal consent and certificate of approval in accordance with N.J.S.A 48:5A-16, and applicable state and federal rules and regulations. The Company shall also petition the Board for approval authorizing continued operation during the period following expiration of the consent granted herein, and until such a time that a decision is made by the

Borough and the Board relative to the renewal of said consent.

SECTION 7. FRANCHISE TERRITORY

The consent granted under this Ordinance to Cablevision shall apply to the entirety of the Borough and any property hereafter annexed.

SECTION 8. SERVICE AREA

Cablevision shall, subject to section 8 below, be required to proffer video programming service along any public right-of-way to any person's residence or business within the portion of the franchise territory, as described in the Application for municipal consent, at tariff rates for standard and nonstandard installation.

SECTION 9. EXTENSION OF SERVICE

Cablevision shall extend service along any public right of way outside its existing service area to those residences within the franchise territory which are located in areas that have a residential density of twenty-five (25) homes per mile or greater, or areas with less than twenty-five (25) homes per mile where residents agree to share the costs of such extension in accordance with the line extension formula as provided by the Company in its Application for municipal consent.

SECTION 10. FRANCHISE FEE

Pursuant to the terms and conditions of the Cable Television Act, Cablevision shall pay to the Borough, as an annual franchise fee, a sum equal to two (2%) percent of the actual gross revenues received from all recurring charges in the nature of subscription fees paid by

subscribers for its cable television reception services in the Borough. In the event applicable law hereinafter permits a larger franchise fee to be collected, but does not fix the amount thereof, the Borough and Cablevision shall negotiate in good faith with respect to the amount thereof.

SECTION 11. FREE SERVICE

Cablevision shall provide, free of charge, one (1) standard installation and monthly cable television reception service to all State accredited public schools and all public libraries, as well as all municipal buildings used for governmental use located within the Borough.

When high-speed Internet access via cable modem service becomes commercially available to residential customers with the Borough, the Company shall provide, free of charge, standard installation, one (1) cable modem and monthly Internet access to all state accredited primary and secondary schools and all public libraries.

When high-speed Internet access via cable modem service becomes commercially available to residential customers with the Borough, the Company shall provide, free of charge standard installation, one (1) cable modem and monthly Internet access to one municipal location upon written request by the Borough. The Borough shall be permitted, at its own cost, to network up to three (3) additional personal computer terminals in the designated building (four computers in total) to the cable modem provided by Cablevision.

SECTION 12. CONSTRUCTION/SYSTEM REQUIREMENTS

Cablevision shall perform construction and installation of its plant and facilities in accordance with applicable State and federal law. The Company shall be subject to the following additional construction requirements with respect to the installation of its plant and facilities in the Borough:

- (a) In the event that the Company or its agents shall disturb any pavement, street surfaces, sidewalks, driveways or other surfaces in the natural topography, the Company shall at its sole expense restore and replace such disturbances in as good a condition as existed prior to the commencement of said work.
- (b) If at any time during the period of this consent, the municipality shall alter or change the grade of any street, alley or other way or place, the Company, upon reasonable notice by the Borough shall remove or relocate its equipment, at its own expense.
- (c) Upon request of a person holding a building or moving permit issued by the Borough, the Company shall temporarily move or remove appropriate parts of its facilities so as to permit the moving or erection of buildings or for the performance of other work. The person requesting the same shall pay the expense of any such temporary removal or relocation in advance to the Company. In such cases, the Company shall be given not less than fourteen (14) days prior written notice in order to arrange for the changes required.

(d) During the exercise of its rights and privileges under this consent, the Company shall have the authority to trim trees upon and overhanging streets, alleys, sidewalks and public places of the Borough so as to prevent the branches of such trees from coming in contact with the wires, cables, conduits and fixtures of the Company. Such trimming shall be only to the extent necessary to maintain proper clearance for the Company's facilities.

SECTION 13. TECHNICAL AND CUSTOMER SERVICE STANDARDS

Cablevision shall comply with the technical and customer service standards established for the cable industry under applicable federal and State laws, rules and regulations.

SECTION 14. LOCAL OFFICE OR AGENT

Cablevision shall establish and maintain during the entire term of this consent a local area business office or agent for the purpose of receiving, investigating and resolving complaints regarding the quality of service, equipment malfunctions and similar matters. Said office shall be open daily during normal business hours, and in no event less than 9:00 a.m. to 5:00 p.m., Monday through Friday, with the exception of holidays.

SECTION 15. DESIGNATION OF COMPLAINT OFFICER

The Office of Borough Administrator is hereby designated as the complaint officer for the Borough pursuant to the provisions of N.J.S.A. 48:5A-26 and any complaints by local subscribers to cable television reception or service shall be filed directly with the said office. All complaints shall be

reviewed and processed in accordance with N.J.A.C. 14:17-6.5.

SECTION 16. LIABILITY INSURANCE

Cablevision agrees to maintain and keep in force and effect at its sole cost at all times during the term of this consent, sufficient liability insurance naming the Borough as an additional insured and insuring against loss by any such claim, suit, judgment, execution or demand in the minimum amounts of one million (\$1,000,000.00) for bodily injury or death to one person, and five million dollars (\$5,000,000.00) for bodily injury or death resulting from any one accident or occurrence stemming from or arising out of the Company's exercise of its rights hereunder.

SECTION 17. PERFORMANCE BOND

Cablevision shall obtain and maintain, at its sole cost and expense, during the entire term of this Agreement, a bond to the municipality in the amount of twenty-five thousand dollars (\$25,000.00). Such bond shall be to insure the faithful performance of its obligations as provided in this Franchise.

SECTION 18. RATES

The rates of the Company shall be subject to regulation as permitted by federal and State law.

SECTION 19. EMERGENCY USES

Cablevision shall be required to have the capability to override the audio portion of the system in order to permit the broadcasting of emergency messages by the Borough pursuant to state and federal requirements. The Company shall in no way be held liable for any injury

suffered by the Borough or any other person, during an emergency, if for any reason the municipality is unable to make full use of the cable television system as contemplated herein. The Borough shall utilize the state-approved procedures for such emergency uses.

SECTION 20. EQUITABLE TERMS

In the event that another multi-channel video program provider's service within the Borough creates a significant competitive disadvantage to Cablevision, the Company shall have the right to request from the Borough lawful amendments to its franchise that relieve it of burdens which create the unfair competitive situation. Should the Company seek such amendments to its franchise, the parties agree to negotiate in good-faith appropriate changes to the franchise in order to relieve the Company of such competitive disadvantages. If the parties can reach an agreement on such terms, the Borough agrees to support the Company's petition to the Board for modification of the consent in accordance with N.J.S.A 48:5A-47 and N.J.A.C. 14:17-6.7.

If the parties are unable to reach an agreement on appropriate amendments to the franchise, the Borough acknowledges that the Company shall have the right to petition the Board directly for such amendments in accordance with N.J.S.A. 48:5A-47 and N.J.A.C. 14:17-6.7; provided, however, the Borough shall be under no obligation to support Cablevision's request for such relief from the Board.

Cablevision represents and acknowledges that as of the date of its acceptance of this municipal consent,

competition within the Borough has not yet risen to the level of creating a significant competitive disadvantage sufficient to enable the Company to seek relief under this Section.

SECTION 21. REMOVAL OF FACILITIES

Upon expiration, termination or revocation of this Ordinance, Cablevision at its sole cost and expense and upon direction of the Borough, shall remove the cables and appurtenant devices constructed or maintained in connection with the services authorized herein, unless Cablevision, its affiliated entities or assignees should, within six (6) months after such expiration, termination or revocation obtain certification from the FCC to operate an open video system or any other federal or state certification to provide telecommunications.

SECTION 22. PUBLIC, EDUCATIONAL, AND GOVERNMENTAL ACCESS

Cablevision shall continue to make available noncommercial public, educational and governmental (PEG) access as described in the Application for municipal consent.

The Borough agrees that Cablevision shall retain the right to use the PEG access channel, or portion thereof, for non-PEG access programming, during times when the Borough is not utilizing the channel for purposes of providing PEG access programming. In the event that the Company uses said PEG access channel for the presentation of such other programming, the PEG programming shall remain the priority use and the Company's rights with respect to using the channel for

non-PEG programming shall be subordinate to the Borough provision of PEG access programming on such channel.

Cablevision shall also provide the Borough with a grant of six thousand dollars (\$6,000.00) to be applied toward the purchase telecommunications related services from Cablevision.

SECTION 23. BI-ANNUAL MEETINGS

Cablevision shall make available representatives to meet upon the request of the Borough and upon thirty (30) days notice on a biannual basis with the Borough, for the purpose of reviewing the Company's performance. Either party shall have the right to request the OCTV to have a representative at the said meeting. The OCTV shall decide whether to attend such meeting or not.

SECTION 24. INCORPORATION OF APPLICATION

All of the commitments contained in the Application and any amendment thereto submitted in writing to the Borough by the Company except as modified herein, are binding upon Cablevision as terms and conditions of this consent. The Application and any other writings submitted by Cablevision in connection with this consent are incorporated in this Ordinance by reference and made a part hereof, except as specifically modified, changed, limited, or altered by this Ordinance, or to the extent that they conflict with State or federal law.

SECTION 25. CONSISTENCY WITH APPLICABLE LAWS

This consent shall be construed in a manner consistent with all applicable federal, State and local laws.

SECTION 26. SEPARABILITY

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction or is otherwise pre-empted or in violation of any applicable federal state law or regulation, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portion thereof.

SECTION 27. EFFECTIVE DATE

This Ordinance shall take effect upon issuance of a Certificate of Approval as issued by the Board of Public Utilities.

BE IT FURTHER ORDAINED that this Ordinance shall take effect upon the passage, and publication as required by law.

Signed this 19 day of 3ECEMBER, 2001.

Micholas Clompilis Mayor

Attest: