

**RESPONSE OF VERIZON NEW ENGLAND INC.
TO
CITY OF BOSTON ISSUING AUTHORITY REPORT**

JULY 6, 2016

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EXHIBITS

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EXHIBIT 3 -- Fios TV Rate Card

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ISSUING AUTHORITY REPORT (“IAR”)

3. CLARIFICATIONS REGARDING INITIAL FORM 100 APPLICATION¹

(a) Form 100, response to Question 20: Please provide a more complete description of the neighborhoods comprising the service area in the Proposal, including a clear definition of the boundaries for each neighborhood, with a strong preference for including census track information in the definitions. Please also provide similar descriptions, to the extent available, of other neighborhoods or groups of neighborhoods being considered for future service area proposals.

Verizon² Response

As noted in its Form 100 submission, Verizon is proposing a Service Area consisting of the Dudley Square area of Roxbury and the West Roxbury and Dorchester neighborhoods of the City. Attached as Exhibit 1 of this response to the City’s IAR is a map of the proposed Service Area. The map is intended for illustrative purposes only as any final Service Area is subject to negotiation between Verizon and the City of Boston.

Verizon is considering all or part of the following neighborhoods for its proposed next deployment of Cable Service: Hyde Park, Mattapan and additional sections of Dorchester, Jamaica Plain, and Roxbury. Any additional Service Areas beyond the currently proposed Service Area in the Form 100 will also be the subject of negotiations between the City of Boston and Verizon and made a part of the Cable License.

(b) Form 100, response to Question 23 and Exhibit F: The Proposal (in particular, the response to Question 23 and Exhibit F) and Verizon’s public marketing materials, use different terms for discussing areas of the City that will or may be part of the Subscriber Network in the City (“Network”), including terms such as (but not limited to) zones, areas, districts and groups. Please clarify the meaning of all such terms and make clear which are synonyms and which are intended to have different meanings, and state with precision the similarities and differences among such terms used by Verizon in connection with the CATV license with the City.

¹ Verizon has numbered its responses to correspond with the numbers of the City of Boston’s IAR questions.

² In all of the responses to the Issuing Authority’s Report, “Verizon” refers to Verizon New England Inc., the entity requesting a cable license from the City of Boston, unless a different entity is expressly identified in the answer.

Verizon Response

For purposes of the proposed Final Cable License, Verizon will only be using the term Service Area. A Service Area, Area, or Areas to be served are defined in Massachusetts General Laws, c. 166A, §1 as follows: “‘Area or areas to be served’, may include a municipality or a portion of a municipality in order to reflect within municipal boundaries, the various economic, cultural, geographic and community interests of the citizens residing therein.”

In its marketing materials, Verizon used different terms such as zones or groups in an attempt to gauge consumer interest in Verizon Cable Service in the City of Boston. A zone is a smaller geographic area within the proposed Service Area. A group is a cluster of zones that make up the larger Service Area. For instance, in its marketing material, Verizon identifies the proposed Service Area described in the Form 100 as Group A. Within Group A, there are eight (8) proposed zones.

(c) Form 100 and Exhibit F: The Fiber-to-the-Premises (“FTTP”) Network description appears to be a number of years old and includes information that appears to have been phased out. Please identify any outdated elements in Exhibit F and describe what is in use currently now.

Verizon Response

The FTTP Network description included as Exhibit F to Verizon’s Form 100 is substantially correct for the fiber network Verizon currently plans for the Service Area covered by the Cable License. Please see Exhibit 2 of this response to the City’s IAR which expands on the information already provided by illustrating the currently planned Video Delivery Network.

(d) The Form 100 includes examples of CATV rate sheets from other areas. Please describe any currently planned deviations from these examples that will be applied in the City.

Verizon Response

The Rate Card is replicated as Exhibit 3 of this Response to the City’s IAR and is the current rate card for video services in Massachusetts.

4. LEVEL PLAYING FIELD; INDEMNIFICATION

On October 8, 2010, the Issuing Authority granted a cable television renewal license (the “Renewal License”) to the current cable operator in the City, Comcast Boston, Inc. (“Comcast”) which was further extended on November 10, 2015 to October 7, 2020. Section 2.4 (Non-Exclusivity of Grant) of the Renewal License provides so-called “level playing field” (“LPF”) language that specifies that the Issuing Authority must not grant an additional cable license (or licenses) on terms and conditions that are not substantially equivalent to those in the renewal license. The Renewal License is available at <http://www.cityofboston.gov/cable/About/cablefranchises.asp>.

The City has kept that LPF provision in mind in developing this IAR, and will certainly do so in the grant of any cable television license to Verizon.

In the event that Comcast asserts that the Verizon license, if granted, was not issued in accordance with the LPF provision, and in the event that such assertion is subsequently upheld by an appropriate entity, Verizon must agree to match any such Comcast–required provisions.

In the event that litigation ensues based on said LPF language as a result of the grant of a CATV license to Verizon in the City, Verizon must indemnify the City for any and all expenses, costs and/or damages as a result of any such litigation. Verizon shall agree explicitly to this indemnification provision, the exact language to be negotiated by the City and Verizon.

Verizon Response

It appears to Verizon that in November 2015, the City of Boston and Comcast agreed to extend the negotiating period for renewal of their 2010 Cable License for four (4) years. Verizon acknowledges that the 2010 Comcast License Agreement contains so-called “level playing field” (“LPF”) language. Similar language also appeared in earlier licenses between the City and Comcast or its predecessor companies. The City will have to determine if as a matter of policy it wants to continue to include LPF language in any Renewal Agreement of the 2010 Comcast License.

Verizon has 113 licenses in Massachusetts, and in virtually all of these competitive cable municipalities, the incumbent cable operator has LPF language in its CATV license. In each instance, Verizon negotiated a competitive CATV license that allowed municipal officials to conclude that the Verizon license, when taken as whole, met or exceeded the contractually required level playing field. Verizon did not indemnify any of those 113 municipalities, and it does not anticipate doing so in Boston. From a historical perspective, it is important to note that in the nearly ten years since those 113 Verizon CATV licenses were approved, no

incumbent cable operator has raised or challenged whether the LPF requirement was met.

In its analysis of the incumbent's LPF language, Verizon notes that the City itself is the "appropriate entity" to determine whether the LPF requirement (as opposed to the incumbent operator) has been met in any competitive CATV license. The City, as the "appropriate entity" under the Comcast license, bears the burden of negotiating a competitive CATV license that the City itself determines to be consistent with the LPF requirement. Given the City's contractual responsibility in this regard, and the fact that under the Comcast license the City is the final arbiter of whether the LPF obligation has been met, it would be improper for Verizon to indemnify the City for any LPF challenges asserted by Comcast. Indeed, it would be inappropriate and improper for a private/commercial entity to reimburse a government for costs which the government incurs to defend its own final deliberative action.

Verizon looks forward to negotiating a competitive CATV license that meets the applicable LPF requirements. At the end of a successful negotiating process, Verizon and the City will have brought choice and competition to Boston residents who have been without meaningful cable television competition for close to 40 years.

5. TERM OF INITIAL LICENSE

(a) The Issuing Authority anticipates granting a non-exclusive final License for a term not to exceed fifteen (15) years as negotiated with the Applicant. The Applicant has proposed a term of ten (10) years. The Issuing Authority may be prepared to issue a ten (10) year license but would prefer a longer term if supported by agreed upon license terms.

Verizon Response

Verizon agrees to negotiate a mutually acceptable term for the Final Cable License with the City. However, Verizon cannot commit at this time to a specific term since the desirability to Verizon of a particular length for the Final Cable License is a function of other business terms to be negotiated by the Parties.

(b) The Applicant may propose grounds for termination prior to the end of the term but such termination right may not be executed prior to six years following the effective date of the Final License.

Verizon Response

Verizon agrees to negotiate mutually acceptable termination rights for the Final Cable License with the City. However, Verizon cannot commit at this time to only one element of a termination provision considered in isolation. The desirability to Verizon of particular termination rights can be a function of other business terms to be negotiated by the Parties.

(c) The final License or control thereof, once issued, cannot be transferred, assigned or disposed of in any manner except as required by applicable law, absent negotiated agreement that lawfully modifies such obligations.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions providing that the Final Cable License or control thereof, once issued, cannot be transferred, assigned, or disposed of in any manner except as required by applicable law or on such other terms as the Parties may negotiate.

(d) Rights given to the Applicant in the final License will be subject to the power of the City to adopt and enforce general ordinances necessary for the safety and welfare of the public, and the Applicant shall be required to comply with all applicable laws and ordinances of general applicability enacted by the City pursuant to this authority, subject to the Applicant's rights to seek legal review in a court of appropriate jurisdiction.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions that make rights under the Final Cable License subject to the power of the City to adopt and enforce general ordinances necessary for the safety and welfare of the public. Verizon will comply with all applicable laws and ordinances of general applicability enacted by the City pursuant to this authority, subject to Verizon's rights to seek legal review in a tribunal of appropriate jurisdiction.

(e) Nothing in the final License shall limit any right the City may have to acquire by eminent domain any property of the Applicant, subject to applicable law.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions that make clear that nothing in the Final Cable License limits any right the City may have under applicable law to acquire by eminent domain property of Verizon used exclusively for Cable Service in the City.

(f) To the extent required by applicable law, the Applicant will be required, upon termination of the final or subsequent renewal license, to remove its supporting structures, poles, transmission and distributions systems, and all other appurtenances from the public ways and places and shall restore the areas to their original condition unless said transmission and distribution systems are activated and deployed for a duly authorized purpose or the License is lawfully transferred to a subsequent Licensee. Such removals will need to be made with the supervision of the City Public Works Department and shall be completed within six months after such termination.

Verizon Response

Verizon is a common carrier under Title II of the Communications Act of 1934 ("Communications Act") and is constructing its FTTP facilities in the City as an upgrade to its existing telecommunications network for the provision of enhanced voice and broadband services. Verizon has independent legal authority apart from any Cable License issued by the

City to own, maintain, and operate facilities in the public rights-of-way and cannot be required in a Cable License to remove or relocate any portion of its telecommunications network as a result of termination or non-renewal of a Final Cable License.

6. INSTALLATION OF NETWORK FOR CATV SERVICES

(a) Following issuance of a Final License, the Applicant shall construct, install, operate and maintain a Network, as subsequently modified, with a capacity of carrying CATV signals and/or channels in the downstream and upstream direction (“CATV Services”).

Verizon Response

Verizon is a common carrier under Title II of the Communications Act and is constructing its FTTP network in the City as an upgrade to its existing telecommunications network for the provision of enhanced voice and broadband services. Verizon agrees to negotiate mutually acceptable terms which provide that its network in the City will have capacity to carry CATV signals and/or channels in the downstream and upstream direction.

(b) The Form 100 (at response to Question 23 and Exhibit F) indicates that the Applicant plans to build a FTTP network. The Applicant should specify whether the Network will be fully FTTP or some other configuration at the drop level or within the MDU and, if so, provide a detailed description of the nature of such non-FTTP network configurations and components.

Verizon Response

Although network design assumptions are subject to change based on cost and technology considerations, Verizon anticipates at this time using a full FTTP network architecture as described in Exhibit F of Verizon’s Form 100 and a Video Delivery Network as shown in Exhibit 2 of this response to the City’s IAR.

(c) The Applicant should specify the system’s capability in terms of the number of video/CATV channels projected for its CATV System in the City. The Applicant shall also indicate the likelihood of said number of channels being increased during the license term and the likely extent of such increases. The Applicant shall also identify peering points for its over the top online services.

Verizon Response

The proposed Cable System will be operated with an initial digital passband of between 50 to 860 KHz. Since filing its Form 100 with the City on May 16, 2016, Verizon issued a new Channel Lineup that supersedes the information provided as part of Exhibit C of the Form 100.

The new Channel Lineup is attached as Exhibit 4 of this Response to the City's IAR. The Channel Lineup is provided for illustrative purposes only and is subject to change at Verizon's discretion. Verizon will from time-to-time make channel capacity and/or channel lineup changes during the term on any Final Cable License.

Regarding issues concerning over-the-top online services, Verizon respectfully declines to answer because such services are not Cable Services subject to licensing by the City of Boston, and therefore, not within the scope of the cable license for which Verizon has applied.

(d) The Applicant shall interconnect the Network to the City's public, educational and municipal ("PEM") network as described below in Section 10.

Verizon Response

Please see Verizon's responses in Section 10, below, where Verizon indicates that it will interconnect to the City's PEM network subject to site visits and in accordance with mutually acceptable terms.

(e) The Applicant shall provide a detailed explanation of its proposed Network, including the types, model numbers and features of customer premises equipment installed by the Applicant; please also specify whether any such customer premises equipment is available for retail purchase and use by Boston customers at reduced expense compared to standard Applicant rates and charges.

Verizon Response

The types of equipment located at customer premises is described at the following Verizon website:

<https://www.verizon.com/support/residential/tv/fios/v/general+support/new+to+fios+tv/questionsone/84832.htm>

Certain customer premises equipment, such as set-top boxes, the initial remote control device, and digital adapters, are not available for retail purchase in any Massachusetts cable serving area, and Verizon does not propose changing that policy in the City at this time. Additional remote controls, routers, and backup power units are available for purchase from Verizon. All of the premises equipment may be available at reduced rates through promotional offers Verizon periodically makes to customers.

Information concerning set-top boxes and the digital adapter Verizon typically makes available can be found at the following Verizon website: <https://www.verizon.com/Support/Residential/TV/fios/v/receivers/equipment+issues/top+questions.htm>

Information concerning routers Verizon provides that support Cable Services can be found at the following Verizon website: <https://www.verizon.com/Support/Residential/Internet/fios/internet/networking/user+guides/user+guides.htm>

Information concerning battery backup units can be found at the following Verizon website: <https://www.verizon.com/support/consumer/battery-backup>

(f) The Applicant shall identify any equipment or power source requiring customer maintenance.

Verizon Response

There is Verizon network equipment located on customer premises at which the FTTP facilities terminate, referred to as the Optical Network Terminal (“ONT”). The ONT converts fiber-optic light signals to electric signals and serves as the demarcation point between those facilities and customer premises wiring. The ONT is powered by commercial electricity from a customer-provided outlet. Backup power is not available for video or data services provided over the FTTP Network and, in any event, devices using these services, such as TVs, computers, and routers, cannot operate during a commercial power failure unless the customer has his or her own, separate backup power source, such as a stand-alone generator. Verizon offers an optional backup power device for sale to Fios customers that uses standard D cell batteries and can provide up to 20 hours of standby backup power for Fios voice service. The customer would maintain this power source.

(g) The Applicant shall provide a detailed description of CATV Services installation requirements for its proposed Network, including any particular situations in which potential customers requesting Cable Service as part of a bundled service package will be required to convert analog phone service to the fiber system. Please explain in detail.

Verizon Response

Verizon proposes to install its fiber-based Cable Service in accordance with cutting edge industry standards. In a standalone home (multi or single family configuration), Verizon will run a fiber service wire from a fiber terminal to the side of the customer's location. This outdoor, ruggedized service wire will be terminated in a small housing on the outside of the customer's home where it will connect to an another fiber wire that will enter the customer's home.

In a larger configuration (*e.g.*, an apartment house or office building), Verizon will work with the property owner or their agent to bring fiber cabling into the building and then run service wires to each individual unit.

In either case, the fiber that enters the home or office will terminate in a point of demarcation, the location of which will be determined by the installer and customer based on aesthetics, the service being installed, and proximity to commercial power. An optical network terminal ("ONT") will then connect to the demarcation point via a fiber jumper cable. The ONT will also be connected to the customer-provided electrical outlet.

Verizon will connect a router to the ONT via Ethernet or coaxial cabling or other technology. For video services (*i.e.*, TV), Verizon will use the best available facility (such as coaxial cable) to then connect the router to individual set-top boxes or other video service devices.

The following Verizon website provides a description of the installation of fiber facilities at a customer's premises:

<https://www.verizon.com/Support/residential/internet/fiosinternet/general+support/getting+started/questionsone/85125.htm>

Information concerning the installation of Fios TV service is available at the following website:

<https://www.verizon.com/support/residential/tv/fiostv/general+support/new+to+fios+tv/questionsone/84834.htm>

Customers are not required to take voice service when purchasing Cable Service. However, after the fiber facilities for Fios Cable Service are installed at the premises, if a customer decides to order telephone service, the customer's voice service will be provisioned on those fiber facilities. This will enable Verizon to provide a more reliable voice service to the customer.

(h) Describe in detail how the cable system will be constructed in a given zone of the City.

(1) Will such construction be accomplished in stages?

(2) What schedule for construction is proposed?

(3) To the extent that schedules will be subject to adjustment based on cost or impracticability concerns, please specify what types of reports the Applicant is willing to provide to the City to ensure that adjustments do not unduly impact low-income customers and neighborhoods.

(4) What will be the measure of completion of construction in particular areas and of "passing" a residential or commercial premise in such area?

(5) To what extent is the Applicant planning to serve public housing facilities in the City? Has the Applicant had any discussions with the Boston Housing Authority ("BHA") or other housing authorities regarding arrangements for Network installations and service to such housing authorities? The City strongly supports such service and requests that they be included on buildout plans. (A link to a map showing many BHA properties CAN BE found at <http://bostonhousing.org/en/Housing-Communities/Public-Housing-Communities/Public-Housing-Map.aspx>.) Please identify any public housing facilities that are proposed to be excluded from the buildout on purported cost grounds.

(6) The Applicant shall, at no cost to the City, protect, support, temporarily disconnect, relocate in the same street, or other public way and place, or remove from any street or any other public ways and places, any of its property as required by the Public Works Department by reason of traffic conditions, public safety, street construction, change or establishment of street grade, or the construction of any public improvement or structure by any City Department or an authorized Government Agency acting in a governmental capacity.

Verizon Response

Verizon intends to upgrade its existing wireline telecommunications network consistent with its existing legal authority under Title II of the Communications Act, by, among other things, deploying an advanced fiber-optic network in the City capable of providing broadband services, information services, and cable television services.

In March of 2016, Verizon and the City executed a Permitting Memorandum of Understanding ("MOU") that provides the framework for how Verizon will upgrade its network and seek permits for that upgrade. While the Permitting MOU is legally distinct from any Final Cable License, inasmuch as the MOU pertains to Verizon's deployment of its

Title II facilities rather than Cable Service deployment, notable provisions which may impact such deployment include, in part, the following:

- Verizon intends to incrementally deploy an advanced fiber-optic network in certain distinct, designated, geographic areas of the City (such areas are referred to as the “Fiber Zones”). The areas, order, and timing to and by which Verizon deploys the Fiber Network to any Fiber Zone or portion thereof shall be in Verizon’s sole discretion, consistent with Verizon’s existing Title II authority to design and construct its Fiber Network in its discretion. However, Verizon will consult in good faith with designated City officials in exercising that discretion and will consider in good faith any suggestions offered by said City officials.
 - Verizon and the City will work cooperatively to share information about their respective plans relevant to the deployment of the Fiber Network. Verizon will use the City’s COBUCS program when applying for any required permits during the deployment of the Fiber Network. On at least a monthly basis, Verizon will provide the City with a list of neighborhoods where it expects to conduct work deploying the Fiber Network that is not recorded in COBUCS and provide, to the best of its ability, a forecast of the volume of anticipated permits.
- (1) Verizon intends to deploy Cable Service incrementally as it deploys its fiber optic network in the Service Area.
 - (2) In addition to the framework provided by the MOU, as noted above, any Final Cable License will identify the specific Service Area for the deployment of Cable Service. Verizon will meet the requirements of Massachusetts General Laws, c. 166A, §5(m)-(n) of deploying Cable Service in the Service Area in at least ten percent of the Service Area annually but in no event shall Verizon take longer than six years to deploy Cable Service in the entirety of the Service Area.
 - (3) Verizon does not discriminate between or among any individuals in the availability of Cable Service or based upon income in a local area. Verizon is willing to negotiate satisfactory reports or alternative benchmarks with the City to ensure Cable Service is being provided in an equitable manner.
 - (4) Verizon’s measure of completion for the proposed Service Area is that Cable Service is available to residents upon request subject to negotiated exceptions in the final Cable License.

(5) Verizon does not discriminate between or among any individuals in the availability of Cable Service or based upon income in a local area. It is Verizon's intention to negotiate directly with the Boston Housing Authority ("BHA") to reach a master property access license and to provide Cable Service to all BHA properties in the Service Area pursuant to the Final Cable License.

(6) Verizon will comply with all applicable, lawful and competitively neutral right-of-way rules, regulations, and procedures.

(i) The Applicant shall describe its plans to handle capacity issues at such time that the cable television plant has reached its maximum capacity and additional services are desired to be added to the Applicant's service offering(s), to the extent that system has any capacity constraints.

Verizon Response

At this time, there are no capacity constraints, and Verizon does not anticipate this being an issue.

(j) All channels on the cable system shall be capable of passing-through to subscribers all available stereo, closed-captioned and assistive audio signals.

(1) What formats will be used?

(2) Will HDTV services provide digital audio formats, such as Dolby, when available from either cable networks or via ATSC-standard broadcasts being carried by the Applicant's system?

(3) All subscribers in the City shall have the parental control capability of locking down any channel which he or she does not wish to have screened by certain household members, at no additional charge.

(4) Please describe the Applicant's anticipated use of signal compression and, if so, its impact on subscriber reception.

Verizon Response

(1) & (2) Verizon passes through and renders all content and data received from content providers.

(3) Verizon makes various parental-control capabilities available at no additional charge on its cable systems throughout Massachusetts. Verizon anticipates making the same capabilities available on the Boston cable

system. All of the following capabilities can be activated by a customer through the Main Menu:

- Control the display of adult programming and information
- Use ratings to block what content can be viewed (example: TV-MA, NC 17)
- Use age preferences to block content for a particular age group
- Block specific content from being viewed
- Safeguard purchases of on-demand, premium content or Pay Per View made through the TV by setting up a Purchase Controls PIN

(4) Verizon has MPEG2 and MPEG4 compression mechanisms in place. There is no impact on customer reception.

(k) Describe, in detail, the Applicant's capabilities to carry standard video transmission formats, including 480i, 720p, and 1080i. Describe how the Applicant's system will deliver DTV signals that contain multiplexed channels. Also describe use of additional technologies such as so-called 4k and 3D HDTV. If such technology is proposed, explain the costs attendant with its use, including any subscriber costs. The Applicant and the City shall agree upon measures for identifying and confirming poor signal quality at the subscribers' premises, and resolution processes to correct any such signal problems. If such technology is proposed, will subscribers be asked to pay additional costs for higher quality services?

Verizon Response

Verizon Fios TV currently supports standard definition resolution at 480i and high definition resolutions of 720p, 1080i, and 1080p. 3DTV is supported on the network, but Verizon does not currently have any content providers broadcasting in 3D. Market forces and the availability/acceptance of content in other formats such as "4K" will dictate Verizon's future capabilities. Delivering content in additional formats such as "4K" may require the replacement or upgrading of set-top boxes or other customer premise equipment, for those customers requesting the additional content formats.

Verizon will review with the City the service quality measures Verizon has available and provide such reports as addressed in its Final Cable License with the City.

Verizon does not currently have, and does not plan to introduce, different grades of Cable Service for which it would charge different rates. Rather, Verizon delivers signals to all customers within standard industry parameters.

(l) Will the Network be equipped with status monitoring equipment? Please describe, in detail, the exact physical location and facilities of the Headend – the Form 100 states that it will be located in Burlington, Massachusetts - and related equipment. If any Headend equipment is not in Burlington, Massachusetts, describe where it is located.

Verizon Response

Verizon has the capability to conduct status monitoring through network analytics at various points on the FTTP network. The monitoring points include the Video Serving Office, Optical Network Terminals, and set-top boxes located at the subscriber’s premises.

The Massachusetts Headend for the City of Boston is located at 51 South Bedford Street in Burlington, Massachusetts. The office has seven (7) primary functions:

1. Super Headend content reception and processing
2. Off-air local broadcast content reception and processing
3. Public Access, Educational and Government Channels content reception and processing
4. Emergency Alert System content reception and processing
5. Video On Demand content delivery
6. Digital ad insertion
7. Interactive Program Guide content insertion and delivery

Equipment, systems, and software associated with these functions consist of: programming re-multiplexers; multifunctional devices that combine routing, switching and remote-access capabilities; analog and interactive digital program guide generators; and devices for grooming, transcoding, and encrypting video signals.

(m) The Applicant shall explain its Network safety procedures.

Verizon Response

Verizon has network safety procedures in place that ensure Verizon conforms in all material respects to applicable FCC technical standards, Occupational Safety and Health Administration regulations, the National Electric Code, and the National Electric Safety Code.

(n) The Applicant shall explain its procedures for resolving subscriber outages.

Verizon Response

The following describes the general procedures Verizon follows when responding to customer outages. Of course, the cause and timing of outages will often present special challenges. The anticipated response and/or completion times noted below are subject to the existence of normal operating conditions.

Verizon would anticipate responding to a call from a customer regarding a service interruption or other service problem within the following time frames:

- (1) Within twenty-four (24) hours, including weekends, of receiving a customer call regarding a service interruption.
- (2) Verizon would begin action to correct all other Cable Service problems the next business day after notification by the customer.

Verizon would anticipate completing service calls within seventy-two (72) hours of the time it commences to respond to the service interruption, not including weekends and situations where the customer is not reasonably available for a service call to correct the service interruption within the seventy-two (72) hour period.

Verizon would anticipate providing a credit upon customer request when all channels received by that subscriber are out of service for a period of twenty-four (24) consecutive hours or more. The credit would equal, at a minimum, a proportionate amount of the affected customer's current monthly bill.

If a significant outage affects all video programming Cable Service for more than twenty-four (24) consecutive hours, Verizon would anticipate issuing an automatic credit to the affected customers in an amount equal to their monthly recurring charges for the proportionate time the cable service was out. Any credit would be reflected on customer billing statements within the next available billing cycle following the outage.

(o) The City shall have the right to inspect the Applicant's plant and facilities in the City and at the Headend, at reasonable times and under reasonable conditions. If the Headend

is not located in the City, and the Form 100 states it will be located in Burlington, Massachusetts, the City shall nonetheless have the right to inspect it at reasonable times and under reasonable conditions.

Verizon Response

Verizon is prepared to negotiate mutually acceptable provisions concerning reasonable inspection or other form of verification by the City of plant and equipment used by Verizon for Cable Service located in both the City and at Verizon's Video Hub Office in Burlington, Massachusetts. However, Verizon is a common carrier under Title II of the Communications Act and is constructing its FTTP facilities in the City as an upgrade to its existing telecommunications network for the provision of enhanced voice and broadband services. Accordingly, the Title II services provided over Verizon's FTTP network are not subject to Title VI of the Communications Act, Massachusetts General Laws ("M.G.L.") Chapter 166A, or Title 207 of the Massachusetts Code of Regulations (including any construction and maintenance requirements) unless and until the network constitutes a "cable system" as defined in Section 602(7) of the Communications Act or a "community antenna television system" as defined in M.G.L. c 166A, § 1.

(p) The Applicant shall explain in detail what plant, equipment and/or facilities will need to be located in, on and/or under the public rights-of-way.

Verizon Response

Verizon will have fiber optic cables, fiber optic distribution hubs, and fiber optic distribution terminals in, on and/or under the public rights-of-way. In certain instances when Verizon cannot use its existing pathways of its Title II facilities, Verizon may, in its sole discretion, elect to replace or relocate telephone poles and/or conduit systems in a manner consistent with the Permitting MOU and applicable permitting regulations/ordinances.

(q) The Applicant and the City shall agree upon measures for identifying and confirming poor signal quality at the subscribers' premises, and resolution processes to correct any such signal problems.

Verizon Response

Please see Verizon's response to Question 6(k), above.

(r) The Applicant shall adhere to all requirements of the City and its agencies regarding construction and installation of cable plant in the City's rights-of-way.

Verizon Response

Verizon and its predecessor companies have operated telecommunication networks in the City for well over 100 years. During this extended period, Verizon and its predecessor companies have consistently endeavored to adhere to the requirements of the City and its agencies regarding the deployment and installation of cable plant in the City's rights-of-way. Verizon will do the same during the deployment of its FTTP network in the City. Among the requirements it will adhere to are the Permitting Memorandum of Understanding and the Verizon-City of Boston Cooperation Agreement.

(s) The Applicant shall make its Cable Service(s) available to all residents (including those living in public housing facilities), non-profit organizations and businesses in the neighborhoods or areas designated in the Application, or other neighborhoods or areas agreed to in negotiations, as subsequently modified, within six years of the execution of the Final License or within six years of a modification thereto applicable to a particular neighborhood or area, provided that the Applicant will not be required to serve residents, nonprofit organizations and businesses in cases where limited exceptions apply, with such exceptions to be negotiated.

Verizon Response

Verizon agrees to make Cable Service available to all residential dwelling units in the Service Area, including public housing facilities, within six (6) years subject to exceptions negotiated in any Final Cable License. Verizon intends to provide Cable Service at its sole discretion to businesses and non-profits in the Service Area.

(t) The City's goal is to ensure that every City resident, nonprofit organization and business has access to affordable CATV and broadband services. Please describe what the Applicant plans to do to ensure that services are affordable to those who may not have means to pay market rates, including those with low incomes (including many elderly residents), the disabled, and non-profit community organizations.

Verizon Response

Verizon does not provide Cable Service at discounted rates to any group of customers or organizations in any of its Massachusetts service areas and has no plans to adopt a different policy in the City of Boston. The only exception is for the cable drop and outlet required by M.G.L. c. 166A, §5(e) to be provided at no cost to public schools, police and fire stations, public libraries, and other public buildings designated in writing by the Issuing Authority. Verizon's policy is based on the fact that the market for Cable Service is very competitive, and Verizon's service offerings and prices are highly competitive with other providers. To meet the competition, Verizon makes a variety of Cable Service offerings available to customers at various price points and also offers attractive service bundles that enable customers to combine video, data, and voice telecommunications services best suited to their needs at substantial discounts to standard rates. Verizon believes the forces of the competitive market are the best means to ensure that customers receive the services they want at fair prices.

(u) Standard Installations. The Applicant shall offer standard installation of CATV Service to all premises located within two hundred and fifty (250) feet of the Network by aerial plant and within one hundred and twenty five (125) feet underground of the distribution cable, subject to limited exceptions agreed to between the Applicant and the City (referenced in Subsection 6(s) above). Installation costs shall conform to the Cable Act, 47 U.S.C. §§ 521 et seq. Any dwelling unit within two hundred and fifty (250) feet aerial or one hundred and twenty five (125) feet underground shall be entitled to a standard installation rate, subject to the limited exceptions referenced in Subsection 6(e) above. The City proposes that the Applicant shall furnish service to households located in the City within not more than seven (7) business days on average after request therefor, measured on a quarterly basis, and if additional time is needed, the Applicant should specify an alternative response proposal.

Verizon Response

Verizon will provide installations consistent with FCC regulations and according to such terms, including exceptions to the provision of Cable Service, as the Parties negotiate.

(v) Nonstandard Installations. For installations of more than two hundred and fifty (250) feet aerial and one hundred and twenty five (125) feet underground, the first two hundred and fifty (250) feet aerial and one hundred and twenty five (125) feet underground, respectively, shall be at the standard installation rate. The Applicant should specify the

cost methodology, if any, for customers located beyond the standard installation distance, including installation charge caps for residential and nonprofit organizations. Upon timely notice the Applicant shall use reasonable efforts to make CATV Service available to residential buildings that are either under construction or planned to be constructed, even if outside of standard installation distances, so long as it is practical from a business standpoint to the Applicant. For such nonstandard installations, the Applicant shall offer said service within ninety (90) days of a subscriber requesting such for aerial installations and one hundred and eighty (180) days, weather permitting, for underground installation.

Verizon Response

Verizon will provide installations consistent with FCC regulations and according to such terms, including exceptions to the provision of Cable Service, as the Parties negotiate.

(w) In constructing the network, the Applicant shall comply with all notice requirements in City Public Works procedures and shall provide 30 days' advance notice to the City Broadband & Cable Office. The Applicant shall consult with the City Broadband & Cable Office in good faith to determine if additional notices to the City or to the community shall be given in advance of construction.

Verizon Response

Verizon and the City have entered into a Permitting MOU and a Cooperation Agreement that detail the manner in which permits and notices will be handled by the Parties. Verizon will comply with all applicable notice requirements.

(x) The Applicant shall provide a complete set of as-built maps of its Network used to provide CATV services upon completion of each zone or district of the Network, and update such maps annually thereafter.

Verizon Response

Verizon intends to upgrade its existing wireline telecommunications network consistent with its existing legal authority under Title II of the Communications Act, by among other things, deploying an advanced all fiber-optic network in the City capable of providing broadband services, information services, and cable television services. As such, Verizon will not be providing a set of "as built" maps to the city pursuant to any Final Cable License. When Verizon is required to seek permits, consistent with

the Permitting MOU, it will provide as part of the permitting process schematics of any new conduit being added in the public right-of-way.

(y) Following issuance of the final License, the Applicant shall construct, install, operate, maintain and remove the Network used to provide CATV services in conformance with state and federal rules and regulations, all building and zoning codes, all land use restrictions as may exist or may be amended in the future, and all industrywide standards.

Verizon Response

In connection with the construction, installation, operation, and maintenance of the FTTP network that will be used to provide Cable Service, Verizon will comply with applicable federal and state rules and regulations, building and zoning codes, land use restrictions as may exist or may be amended in the future, and industrywide standards. Regarding removal of the network, as stated in response to question 5(f) above, Verizon is a common carrier under Title II of the Communications Act and is constructing its FTTP facilities in the City as an upgrade to its existing telecommunications network for the provision of enhanced voice and broadband services. Verizon has independent legal authority apart from any Cable License issued by the City to own, maintain and operate facilities in the public rights-of-way and cannot be required in a Cable License to remove or relocate any portion of its telecommunications network as a result of termination or non-renewal of a Final Cable License.

(z) Following issuance of the final License, the Applicant shall construct, install, operate and maintain all elements of the Network used to provide CATV services in the City in accordance with the maps and other documents submitted pursuant to 207 CMR § 3.05. The erection and location of all poles, towers and other obstructions shall be fixed with prior approval by the City in procedures to be negotiated, except to the extent that they are already fully addressed in other agreements between the Applicant and the City. Terms and conditions for temporary or permanent removal, relocation or disconnection of specified facilities shall also be negotiated with the City. Repairs and restoration following disturbance of any pavement, sidewalk or other improvement of the public right of way or public place shall be restored in as good condition as possible before entry subject to applicable law or as negotiated with the City.

Verizon Response

Please see Verizon's response to Question 6(x), above.

(aa) The Applicant shall be subject to all laws, ordinances or regulations regarding private and public property in the course of constructing, installing, operating or maintaining the system used to deliver CATV services in the City.

Verizon Response

Verizon will comply with all applicable laws, ordinances or regulations regarding private and public property in the course of constructing, installing, operating, or maintaining the system used to deliver Cable Service in the City.

(bb) The City shall have a right, upon reasonable notice, to propose a review of new technological developments with the Applicant on not more than an annual basis.

Verizon Response

Verizon agrees to negotiate mutually acceptable terms providing that the City shall have a right, upon reasonable written notice, to propose a review of new technological developments for Cable Service with Verizon on not more than an annual basis.

(cc) For illustrative purposes, please provide a projected buildout analysis for the first six years of the License that would include, for each year, at least the following data points: (i) total aerial miles in the year, (ii) total underground miles in the year, and (iii) household premises connected in the year.

Verizon Response

As stated previously, Verizon is a common carrier under Title II of the Communications Act and is constructing its FTTP facilities in the City as an upgrade to its existing telecommunications network for the provision of enhanced voice and broadband services. Accordingly, the deployment of the network is not subject to oversight by any regulatory body as a Cable System under federal or state law. Verizon has committed to make Cable Service available to all residential dwelling units in the Service Area, including public housing facilities, within the periods specified in M.G.L. c. 166A, §§5(m) and (n), subject to exceptions negotiated in any Final Cable License. The amount of aerial and underground plant Verizon may construct to meet its service obligations within the prescribed periods is not relevant to a consideration of Verizon's Application for a Cable

License. In addition, because Verizon does not connect a household until Cable Service are actually ordered to the premises, any estimates about household premises connected over the first six years of the Cable License would be purely speculative at this time.

7. MAINTENANCE

The Applicant shall maintain all wires, cables and other real and personal property and facilities constituting the Network used to provide CATV services in good condition, order and repair at all times during the term of the Initial License. The Applicant shall maintain an annual log showing the date, approximate time and duration, type and probable cause of all CATV outages, whole or partial, due to causes other than routine testing or maintenance. Entries in the log shall be maintained at least one (1) year and are subject to inspection by the City on reasonable request. Except for emergencies, the Applicant shall interrupt services or repairing, upgrading or testing the CATV system only during periods of minimum use and, if practical, only after forty-eight (48) hours advance notice to affected subscribers.

Verizon Response

As previously stated, Verizon has a long history of constructing and maintaining high quality telecommunications networks in the City of Boston and will apply its considerable expertise to the FTTP network it will deploy in the City. Concerning logs recording network events, such as outages, affecting Cable Service, Verizon is willing to review with the City under appropriate conditions reports it maintains in the regular course of business as well as its practices concerning planned service interruptions for repair, upgrade, and testing of Cable Service.

8. SYSTEM DESIGN/CONFIGURATION

(a) The Applicant should specify the extent to which the Network will be FTTP or some other configuration and include a reasonable level of network details regarding the non-FTTP portions.

Verizon Response

Verizon anticipates using a full FTTP network architecture as described in Exhibit F of Verizon's Form 100 and a Video Delivery Network as shown in Exhibit 2 of this response to the City's IAR.

(b) The Applicant should describe the capacity of the CATV System, and also specify the likelihood of capacity being increased during the license term and the likely extent of such increases.

Verizon Response

The proposed Cable System will be operated with an initial digital passband of between 50 to 860 KHz. The most recent Fios TV Channel Lineup is contained in Exhibit 4 of this Response to the City's IAR and shows the number of channels Verizon expects to provide in the City of Boston. Verizon will from time-to-time make channel capacity and/or channel lineup changes during the term of any Final Cable License.

(c) Please describe in detail the nature of emergency power sources to maintain service in the event of a power supply failure or loss, both in the Network and at subscriber locations, including whether it is a battery or non-battery source and expected battery lives.

Verizon Response

Verizon provides 24x7 power backup capabilities at each Video Serving Office used to serve Boston cable subscribers. Backup power is not available for video or data services provided over the FTTP Network and, in any event, devices using these services, such as TVs, computers, and routers, cannot operate during a commercial power failure unless the customer has his or her own, separate backup power source, such as a stand-alone generator. Verizon offers an optional backup power device for sale to Fios customers that uses standard D cell batteries and can provide up to 24 hours of standby backup power for Fios voice service.

(d) The Network shall have an activated emergency alert override capacity over all downstream channels, in conformity with applicable law and to be controlled remotely by the Issuing Authority and/or state or federal officials. Do you agree that interruptions to regular scheduled programming to broadcast alerts should be done at the state or federal level in most or all cases? What does the Applicant envision to be appropriate Issuing Authority override circumstances and, in such cases, can the override be limited to customers in the City?

Verizon Response

Verizon will comply with the Emergency Alert System (“EAS”) requirements of the FCC in order that emergency messages may be distributed over the System. Verizon believes that interruptions to regularly scheduled programming should be done at the state or federal level consistent with state or federal law.

(e) The Applicant shall provide, upon request and free of charge, residential subscribers with the capability of controlling the reception of channels containing potentially offensive programming, either through use of a converter or through the capability of the CATV system. Describe the specific methodology used or to be used.

Verizon Response

Please see Verizon’s response to Question 6(j)(3), above.

(f) The technical performance of the CATV system shall meet Federal Communications Commission (“FCC”) technical standards, in their current state and as amended in the future. The City shall have the full authority permitted by applicable law to enforce compliance with these technical standards.

Verizon Response

Verizon will comply with all applicable FCC technical standards.

(g) The Applicant should provide full descriptions of the subscriber equipment used or capable of being used to deliver CATV services in the City. The Applicant should describe which subscriber equipment, if any, can be purchased and used by subscribers from non-Verizon sources, such as retail outlets.

Verizon Response

Please see Verizon's response to Question 6(e), above.

9. SERVICE AND PROGRAMMING

(a) The Applicant shall make available a basic service tier to all subscribers that includes all PEM channels.

Verizon Response

Verizon will provide a basic service tier to all subscribers in the City and will negotiate PEM channel positions in accordance with federal law and the City's request for HD PEM.

(b) The Applicant shall maintain broad categories of video programming, subject to federal law that makes all specific video programming decisions, excluding PEM Access programming, at the Applicant's discretion.

Verizon Response

Verizon will offer broad categories of video programming in the City as it does in its other Massachusetts cable service areas.

(c) Please identify and describe in detail the programming options and service levels that will be available in the City, including programming guides.

Verizon Response

Please see attached Exhibits 3 and 4 which contain the most recent Fios TV Rate Card and Channel Lineup. The information contained in the Exhibits is illustrative of programming and rates for the City and subject to change at Verizon's discretion. Programming information will be available via an interactive, onscreen guide.

(d) Please describe the types of programming that will be available to serve diverse Boston communities, including language and cultural minorities.

Verizon Response

As noted in Verizon's Channel Lineup (Exhibit 4), Fios TV currently offers a wide variety of Spanish language programming. In addition, Fios TV currently offers a la carte premium channels in over 20 languages.

(e) Please explain how programming decisions are made and, in particular, the extent the Applicant conducts or plans to conduct periodic surveys to determine subscriber interest. To the extent customer surveys have been conducted by the Applicant in the City or any other community in Eastern Massachusetts over the past 12 calendar months, please provide the City with copies of such surveys and results.

Verizon Response

Cable television system operators are entitled by law to make their own selection of channels and programs to be distributed to subscribers in response to consumer demands. There are only limited rules at the federal and state levels applicable to programming. These include: the "equal opportunities" rule of political cablecasting, advertising on children's programming, the ban on cigarette advertising, and the showing of obscene materials. Verizon will comply with all applicable laws and regulations relating to programming. None of those limited rules warrants a general inquiry into Verizon's programming decisions.

With respect to customer surveys, if Verizon conducted such surveys for the City of Boston or other locations in Eastern Massachusetts, the information would clearly be highly competitively sensitive. Verizon would make the surveys or information from them available to third-parties only under the most stringent conditions to guard against public disclosure. It is unclear whether documents produced in response to the City's IAR could be suitably protected from potential claims under the Massachusetts Open Records Law. Moreover, none of the information contained in a customer survey regarding programming interests would be relevant to any issue to be negotiated in the Cable License. Verizon has provided in attached Exhibit 4 a list of programming it anticipates providing in the City. The range of available programming clearly provides a robust set of options to customers that rivals the options provided by other cable providers in the City. Given the many choices customers have for obtaining video programming, Verizon has a strong interest in ensuring that it continues to offer attractive programming options for customers.

(f) Please specify the extent the Applicant plans to offer discounts or other programs serving senior citizens, low income consumers, and vulnerable groups that desire and need access to digital services and equipment and describe the details of such discounts and programs. The City is particularly interested in any programs that provide discounted services and/or equipment and/or offer training to such customers.

Verizon Response

Please see Verizon's response to Question 6(t), above.

(g) The Applicant shall comply with all FCC rules and regulations, as well as DTC rules and regulations, regarding notice of programming changes.

Verizon Response

Verizon will comply with all applicable FCC rules and regulations, as well as applicable Department of Telecommunications and Cable rules and regulations, regarding notice of programming changes.

10. PEM AND I-NET SERVICES AND SUPPORT

(a) In order that all residents in the City can receive PEM access programming, the Applicant shall make the five (5) existing PEM access and local origination channels available to all residents without charge.

Verizon Response

As it does in all other Massachusetts service areas, Verizon will provide capacity for PEM access channels on its cable system in the City of Boston. The number of access channels and other terms relating to PEM channels are important issues that are proper subjects for the Parties' negotiation of the Final Cable License. Verizon agrees to negotiate mutually acceptable terms relating PEM access channels in its Final Cable License with the City.

(b) The Applicant should promptly after execution of the Final License secure interconnection with the City that will afford access to existing Boston PEM Access programming that the Applicant can transmit to Boston cable subscribers. The Applicant shall pay all costs, including personnel, in connection with said interconnection.

Verizon Response

Verizon interconnects in its other Massachusetts service areas with the Issuing Authority, a designee of the Issuing Authority, or other cable provider to enable customers to receive PEM programming. The terms relating to PEM access are important issues that are proper subjects for the Parties' negotiation of the Final Cable License. Verizon will commit the resources necessary to conduct site visits and review technical issues with the City which are prerequisites for the Parties to negotiate mutually acceptable terms in the Final Cable License relating to PEM interconnection.

(c) The Applicant shall interconnect to the City's five (5) PEM Video Programming channels at 43 Hawkins Street, Floor 1B, Boston. The Applicant also shall provide feeds for one PEM access channel at each of the following two sites: Bolling Building, 2300 Washington Street and the Boston City Council Chambers Master Control at City Hall. Applicant shall provide additional interconnections or installation of video feeds at the request of the City upon sixty (60) days' notice. The Applicant shall bear the costs of such interconnection or installation of equipment to provide video feeds, including any necessary equipment and construction costs.

Verizon Response

Please see Verizon’s response to Question 10(b), above.

(d) For the above interconnections, the City anticipates that the Applicant will need to install equipment at 43 Hawkins Street, as follows, subject to the Applicant’s ability to propose comparable arrangements that are agreed to by the City. Such installation will consist of a rack, four frequency agile processors, a laser chassis, a DFB laser and a drop splitter. The PEM channels will be captured through the use of a drop splitter within 43 Hawkins Street. The Applicant will split the existing drop utilizing an amplifier and splitter. The Applicant will feed the five frequency agile processors in the rack. The processors will be set to receive the PEM channels. The outputs will be combined and inserted into the DFB laser, also located in the rack. The laser will transmit the four channels back to the Applicant headend via fiber optic cable. At the Applicant’s headend, these four channels will be received and the output of the receiver will be split to five demodulators which will then feed five modulators where they will be re-modulated to channels on the Applicant’s system. The channel designations are to be determined by negotiations.

Verizon Response

As noted in the response to Question 10(b), above, Verizon will ensure interconnection with the City for the purposes of providing PEM channels. However, the equipment used by Verizon to accomplish interconnection will be equipment suited for an optical network.

(e) The City shall have the right to request designation of additional PEM or local origination channels upon request, provided that the number of channels may not exceed the number designated by Comcast.

Verizon Response

Verizon agrees to negotiate mutually acceptable terms relating to additional PEM channels.

(f) Please discuss the Applicant’s capabilities to offer PEM signals on a high definition (“HD”) basis. The City generally supports the option of PEM in HD.

Verizon Response

Verizon agrees to negotiate mutually acceptable terms relating to HD PEM channels.

(g) PEM Access Contributions and Support.

- (1) The Applicant shall provide for equipment and/or facilities funding to the City and/or an Access Corporation, as directed by the Issuing Authority, for the support of the production of local PEM Access and local origination programming and other cable-related purposes. The City and/or the Access Corporation shall own all equipment purchased with this funding, and the Applicant shall have no obligation to maintain, repair, replace or insure any such equipment.
- (2) The Applicant also shall provide funding to the City to be used to support ongoing operations of PEM Access programming.
- (3) The details of such equipment and operations funding or alternative arrangements for supporting PEM access are to be subject to negotiation.

Verizon Response

Verizon will provide appropriate levels of funding for PEM equipment and/or facilities as well as for support of ongoing PEM operations according to such terms as the Parties negotiate.

(h) Public Institutional Network:

- (1) The Licensee shall make available a Public Institutional Network (“I-Net”) as more fully described in an Exhibit to be specified by the City, at no cost to the City. The term “at no cost to the City” includes the representation by the Applicant that it will not seek an offset against franchise fees for the value of the use of the I-Net.
- (2) The Applicant shall provide, financially or otherwise, for construction, installation, and maintenance of the dark fiber optic I-Net. The I-Net shall be located within the City and with the I-Net hub facilities to be located at a location or locations to be determined by City and acceptable to the Applicant. The I-Net shall connect the institutions identified on a list to be determined by the City. The I-Net shall be completed within six months from agreement signing.
- (3) There shall be no charges or costs to the the City or I-Net users for the construction, installation, use and/or maintenance of the I-Net. To the extent that the City and the

Applicant cannot agree on the parameters of the I-Net, the City hereby reserves the right to negotiate alternative equivalent services or payments in lieu of services. The City reserves the right to request up to five (5) additional I-Net locations per year of the final License.

(4) If the Applicant chooses to not own or maintain the said I-Net, please describe how the Applicant will enter into good faith negotiations with the City to purchase the I-Net.

(5) Notwithstanding whether or not it participates in construction of the I-Net as discussed above, the Applicant will work with the City to design the I-Net and identify hub and connectivity locations.

(6) The I-Net obligation shall survive any termination of the final License.

Verizon Response

Verizon does not currently have plans to construct, own, operate, or maintain an I-NET in the City. However, Verizon understands the importance of the existing I-NET to the City and is willing to negotiate the provision of alternative equivalent services or payment(s) for expansion or upgrade of the existing I-NET. Verizon's commitment in this regard would not offset, but would be in addition to, license fees or other agreed-upon payments under the License Agreement. However, the level of the commitment should reflect the commensurate percentage of the City of Boston served by Verizon at the applicable times during the term of the Final Cable License. As such, the Parties could discuss how alternative services and/or payments may be subject to an escalation/expansion schedule that correlates with Verizon's deployment of cable television service throughout the City.

11. RATES AND CHARGES

(a) Please provide the Applicant’s proposed or illustrative rates for non-CATV services and equipment and services and equipment that are or may be bundled with CATV services.

Verizon Response

Verizon does not believe that the rates for non-CATV services are relevant to the City’s consideration of a cable license. However, information concerning the current service bundles Verizon offers in Massachusetts can be reviewed at <http://verizonspecials.com/verizon-fios-bundles>.

(b) In conformity with applicable law, all rates for Subscriber services shall be published, with a written schedule of all rates available at all Applicant business offices in the City as well as the Applicant’s websites.

Verizon Response

Verizon will comply with applicable law concerning the publication of rate schedules for subscriber services at Applicant business offices in the City and on Verizon’s website.

(c) In the event that the Applicant’s CATV service to any subscriber is interrupted for 24 or more consecutive hours, Licensee shall expeditiously grant such subscriber an automatic pro rata credit, provided that the credit requirement applies only where the amount of such credit or rebate exceeds one dollar.

Verizon Response

Verizon will comply with the requirement set forth in M.G.L. c. 166A, §5(l) which provides that “[i]n the event its service to any subscriber is interrupted for twenty-four or more consecutive hours, it will grant such subscriber a pro rata credit or rebate.” Verizon agrees to negotiate mutually acceptable terms to implement the statutory requirement.

(d) The Applicant shall provide one CATV service drop, outlet and monthly basic or expanded service along its activated CATV system route in the City, as required by M.G.L. c. 166A, § 5(e), at no cost to public schools, police and fire stations, public libraries, and other public buildings designated in writing by the Issuing Authority. The

current designation of such buildings and their addresses will be on a list to be developed by the City. The Applicant shall discuss the location of each drop with the Director of the Mayor's Office of Broadband and Cable and other City officials.

Verizon Response

Verizon will comply with M.G.L. c. 166A, § 5(e) which provides that a licensee shall "provide a cable drop and an outlet along its cable routes at no cost to public schools, police and fire stations, public libraries, and other public buildings designated in writing by the issuing authority." Verizon agrees to work with the Director of the Mayor's Office of Broadband and Cable and other City officials concerning the location of each drop in designated buildings. Verizon also is willing to discuss with the City alternative arrangements to satisfy the statutory obligation such as a lump sum grant for some or all of the locations.

12. LICENSE FEE

(a) The City shall be entitled to receive from the Applicant a License fee equal to five percent (5%) of the Applicant’s Gross Revenue less the value of any fees paid to the DTC pursuant to M.G.L. c. 166A § 9, and less the value of any payments made to support PEM. Said payments shall be paid on a quarterly basis. License Fee payments are made to a City payee to be specified unless the City directs payment of some or all amounts to another payee. If the DTC ceases to be entitled to M.G.L. c. 166A § 9 payments for any reason, the Applicant shall contribute the value of such payments to the City.

Verizon Response

Verizon agrees to negotiate mutually acceptable terms providing for payment to the City of the maximum License fee permissible by law together with reasonable payment arrangements and possible future adjustments associated with changes in law.

(b) Such payments shall be tendered within three months of the ending quarter, or such other reasonable period to be negotiated. Late payments will be subject to a late payment charge.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions regarding a reasonable schedule for the payment of License fees to the City including provisions for a late payment charge.

(c) The Applicant shall be required to make available to the City or designee pertinent financial records that represent the Applicant’s compliance with the terms and conditions of the License Fee provisions of the final License, on terms to be negotiated.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions that will enable the City to verify Verizon’s compliance with the terms and conditions of the License Fee provisions of the Final Cable License.

(d) The Applicant shall pay to the City or its designee for ongoing support of PEM channels and the I-Net an amount equal to 1.7% of Applicant’s Gross Revenues. The timing of such payments shall be consistent with License Fee payment.

Verizon Response

Verizon will negotiate reasonable compensation for on-going support of PEM channels and an I-NET consistent with applicable law, subject to caps on payments prescribed by federal and/or state law. However, Verizon cannot commit at this time to a particular level of ongoing support considered in isolation. The level of support Verizon may be willing to fund can be a function of other business terms to be negotiated by the Parties.

13. INSURANCE, BONDS AND INDEMNIFICATION

(a) The Applicant shall maintain and file with the City certificates of insurance as evidence for at least the following insurance policies and bonds in forms to be approved by the City Corporation Counsel, unless other amounts, policies or coverages are agreed to by the parties:

(1) Comprehensive general liability policy for injury or death occasioned by the System with a minimum liability of \$3 million per person and \$5 million for injury or death to two or more persons in the same occurrence.

(2) The same comprehensive general liability policy shall also provide coverage for property damage occasioned or alleged to be occasioned by the System with a minimum liability of \$1 million for damage to property of one person and \$2 million for damage to property of two or more persons in the same occurrence.

(3) These and other insurance requirements may be subject to negotiation.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions regarding the maintenance of insurance of various types with suitable coverages, including a comprehensive general liability policy, and to provide evidence of those policies to the City.

(b) The Applicant shall maintain, without charge to the City, throughout the term of the Final License a faithful performance bond running to the City, with good and sufficient surety licensed to do business in the Commonwealth in the sum of \$1 million. Such bond shall be conditioned upon the faithful performance and discharge of all of the obligations imposed by the Final License, including the time for removal of the facilities provided in the final License.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions regarding the maintenance of a performance bond in a suitable amount running to the City throughout the term of the Final Cable License.

(c) In addition to LPF indemnification described in Section 4 hereof, the Applicant shall, at its sole cost and expense, indemnify and hold harmless the City, its officials, boards, commissions, committees, agents and/or employees against all claims for damage, including without limitation damage to persons or property, real and personal, due the

actions of the Applicant, its employees, officers or agents arising out of the installation, maintenance and/or operation of the Network and CATV system under the final License. Indemnified expenses shall include all reasonable attorneys' fees and costs incurred by the City up to such time that the Applicant assumes defense of any action hereunder.

Verizon Response

Except as noted in the response to Section 4, above, Verizon agrees to negotiate mutually acceptable indemnification terms with the City.

(d) The Applicant shall provide an irrevocable letter of credit from a financial institution in the amount of \$50,000, to be drawn on and reinstated to its original amount in circumstances subject to negotiation.

Verizon Response

Verizon agrees to negotiate mutually acceptable terms providing for an irrevocable letter of credit from a financial institution to be drawn on and reinstated to its original amount in agreed upon circumstances.

14. SUBSCRIBER RIGHTS

(a) The Applicant’s representatives and employees will be required to wear an employee identification card issued by the Applicant, which shall include a picture of the representative/employee.

Verizon Response

Verizon has procedures in place regarding identification cards for employees and others who represent the company. Verizon is willing to review those procedures with the City.

(b) The Applicant shall provide to prospective subscribers complete written information regarding all services and rates upon solicitation and prior to consummation of an agreement for installation of services, with particular disclosure of the Applicant’s least costly service option.

Verizon Response

Verizon provides complete on-line information concerning all service options and pricing for its Cable Service, including all available service bundles and promotions. When a prospective customer calls Verizon to inquire about services, Verizon provides as much detail as the customer requests concerning plans and prices based on the particular needs identified by the customer. However, depending on the customer’s stated interests, that conversation may not include information about the least costly service option.

(c) The Applicant shall provide to prospective subscribers complete written information regarding billing and collection procedures, procedures for changing service options and procedures for termination of services and refunds, upon solicitation and prior to the installation of services.

Verizon Response

Complete information concerning billing and collection procedures, service changes, termination, and potential refunds for Cable Service are contained in Verizon’s Terms of Service which were provided in Exhibit C of Verizon’s Form 100 and are available on the Verizon website at: http://www.verizon.com/about/sites/default/files/FTV_ToS_01172016_v16-1.pdf

Verizon provides the Terms of Service to customers prior to installation of Cable Service together with confirmation of the order which identifies the services that will be installed and prices.

(d) The Applicant shall use best efforts to notify subscribers before entering onto such person's property for installing or maintaining CATV service.

Verizon Response

Verizon has procedures in place regarding communications with subscribers before its employees enter onto such person's property for installing or maintaining CATV service. Verizon is willing to review those procedures with the City.

(e) The Applicant shall maintain at least one customer service office in each neighborhood that it identifies and is licensed to serve pursuant to the process stated in the final License. At a minimum, each such office staff have at least one staff person during normal business hours and shall be open for walk-in business. At such office, subscribers shall be able to file complaints, return and/or exchange equipment, pay bills, receive an explanation of cable system operations and perform such other tasks as the Applicant and City mutually agree. Such office shall be in a location with adequate parking, served by public transportation and accessible to handicapped City residents.

Verizon Response

Verizon intends to ensure that Cable customers have the ability to make in-person payments and file complaints during normal business hours at facilities or locations operated directly or indirectly by Verizon or a third-party vendor, as the case may be, subject to negotiation of the License. Verizon will work with the City in good faith to ensure these payment centers are to the extent commercially practicable geographically dispersed throughout the Service Area based on subscriber growth in particular areas and a maximum distance from customers, such as five (5) miles.

Verizon also provides options for customers to conduct routine transactions, such as enabling customers to make electronic payments, providing for on-line account maintenance and ordering, and making available easy shipping arrangements for customers to return customer-premises equipment.

(f) The Applicant shall detail Customer Service standards applicable to its video/CATV services in the City and shall propose data metrics to show that such standards will be met on a reasonable basis. Such standards should include call answering time, response time to online queries, resolution time, and other reasonable measures.

Verizon Response

Verizon agrees to meet such standards as required by federal or state law and/or addressed in its Final Cable License with the City.

(g) The Applicant shall detail standards for repair service, such as by resolving the problem or a service visit within forty-eight (48) hours of requests if received Monday-Friday and within seventy-two (72) hours if received on weekends and holidays. System outages should be responded to immediately. If a problem cannot be resolved within seven (7) days, the Applicant shall provide the subscriber with an explanation and expected resolution date. Please discuss how repair-related subscriber communications are handled.

Verizon Response

Verizon agrees to meet such standards as required by federal or state law and/or addressed in its Final Cable License with the City.

(h) Please explain your privacy policies and how you shall inform each subscriber of the nature of information capable of being transferred over the system and of applicable privacy requirements as set forth in the final License and applicable law. Please include what information is collected on subscribers and what this data is used for.

Verizon Response

Verizon Communications Inc. has adopted a comprehensive privacy policy which is applicable to its operating subsidiaries, including Verizon New England Inc. The policy is available at:
<http://www.verizon.com/about/privacy/full-privacy-policy>

The policy is referenced in Verizon's Terms of Service which directs customer's to the website. The privacy policy explains the information that is collected from subscribers and how Verizon may use the information.

(i) Except as permitted in 47 U.S.C. § 551(c), the Applicant shall not, without the prior written or electronic consent, provide to any third party protected subscriber information or information concerning the viewing habits or subscription package decisions of any individual subscriber or household. Notice provisions will be subject to negotiation.

Verizon Response

Verizon will comply with all applicable federal and state laws and regulations concerning the protection of subscriber information and will negotiate appropriate terms with the City.

(j) The Applicant shall comply with all applicable federal and state privacy laws and regulations, including 47 U.S.C. § 551.

Verizon Response

Verizon will comply with all applicable federal and state privacy laws and regulations, including 47 U.S.C. § 551, in connection with Cable Service.

(k) The Applicant shall keep all written subscriber complaints it receives on file in the City for a minimum of one year after receipt and the City shall have the right to examine, review and copy such records at the City's own expense upon reasonable notice.

Verizon Response

Verizon agrees to retain subscriber complaints and make those available for review by the City as required by federal or state law and/or addressed in its Final Cable License with the City.

15. EMPLOYMENT, TRAINING AND PROCUREMENT

(a) Please explain how the Applicant will make its best effort to procure competitively priced services, materials or equipment, and to make purchases for the operation or maintenance of the CATV system, from qualified local minority-owned, and local women-owned businesses.

Verizon Response

Working with suppliers from a variety of backgrounds helps Verizon build long-term value for its customers. Diversity is important for Verizon's success as well as that of its suppliers. Verizon already has in place a supply chain diversity program that is now being utilized in Boston and will remain in place in the future. In 2015 alone, Verizon companies purchased \$4.25 billion dollars in goods and services from diverse suppliers including minority, women, and veteran-owned businesses. This brings the total spent with diverse suppliers to nearly \$25 billion over the past five years. The success of the Verizon companies' supply chain diversity program is evidenced through the fact that in 2015 alone the Minority Business News USA, The Women's Business National Council, the U.S. Hispanic Chamber of Commerce, DiversityBusiness.com, and Black Enterprise Magazine all recognized the supply chain diversity with awards. Additionally, Verizon is a charter member of the Billion Dollar Roundtable, a coalition of 20 companies that spend more than \$1 billion each year with diverse suppliers.

(b) The Applicant shall represent that it is an Equal Opportunity Employer and shall comply with all applicable laws and regulations with respect to Equal Opportunity Employment.

Verizon Response

Verizon will represent that it is an Equal Opportunity Employer and will comply with all applicable laws and regulations with respect to Equal Opportunity Employment.

(c) Are there plans for employing Boston residents in constructing the Network and providing services once in operation? Please describe whether the Applicant will make substantial efforts to employ, both directly and through the hiring of subcontractors, residents of the City, minorities, and/or women during the license term. Is the Applicant willing to report on the composition of the workforce used to build and operate the Network and deliver CATV services (construction, sales, operations, etc.) and to provide

periodic reports on the use of Boston residents, women, minorities, and minority/women-owned subcontractors?

Verizon Response

The majority of the work involved in deploying Cable Service in Boston will be completed by current Verizon employees (some of whom are Boston residents) covered by a collective bargaining agreement which would dictate, in part, the process of hiring any new employees, if any. Although it is anticipated that much of the work for this project will be performed by Verizon personnel, Verizon is committed to supplier diversity, including utilization of qualified and certified diverse suppliers. Verizon has a robust supplier diversity program in which Verizon strives to provide maximum opportunity for diverse suppliers to compete on an equal basis with all other suppliers who meet our product, service, procurement and contractual requirements. Verizon will provide best efforts to ensure diverse suppliers have the maximum opportunity to compete for subcontracting work as those opportunities become available. Verizon has the capability to provide reports that document Verizon's spend with diverse suppliers upon request. Verizon's Supplier Diversity team encourages and supports the utilization of diverse suppliers in our Sourcing/Supply Chain process. The team also partners with supplier diversity advocacy groups, chambers of commerce, and other organizations to identify suppliers whose capabilities match the needs of the business.

(d) During periods of substantial hiring, the Applicant shall advertise available employment positions. In advertising such positions, the Applicant shall endeavor to reach specific neighborhoods and ethnic groups through use of community, weekly or special interest publications.

Verizon Response

As indicated above, Verizon anticipates that the work of deploying Cable Service in Boston will be completed by current Verizon employees. Regarding hiring, Verizon is a federal contractor subject to the rules and regulations of Title VII and Executive Order 11246. Verizon will abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identify, or national origin. Moreover, these regulations require that Verizon take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

(e) Please describe the Applicant's understanding of how City Prevailing Wage/Living Wage policies will apply to the licensing project and the extent to which the Applicant's employment and compensation practices will be consistent with the goals of such policies.

Verizon Response

Verizon is one of the leading employers in Massachusetts in terms of pay and benefits for both its bargained-for and management employees. The vast majority of the work and labor performed on the upgrade of Verizon's Title II facilities will be completed by employees covered by a collective bargaining agreement. Verizon's employment and compensation practices are consistent with, and most likely exceed, the goals of any applicable prevailing wage laws.

(f) Please discuss the Applicant's willingness to offer services, training or funding to support communications-related technical skills and/or career within the City of Boston Public Schools.

Verizon Response

Verizon has been a long standing philanthropic partner in Boston, with a primary focus on education programs that benefit Boston Public School students and help prepare them for college and careers. For example, Verizon has supported the Boston Private Industry Council since 1998, awarding grants for education and job readiness programs for Boston high school students, and engaging students to work at area non-profits while improving their MCAS skills. Verizon also has provided grants to Boston Public Schools to fund robotics programs, Future Engineers, and other STEM programs. In addition, Verizon recently supported the City's planning efforts to expand universal pre-K in Boston. Verizon employees also volunteer in Boston Public Schools and in after school programs run by the Boston Private Industry Council and Citizen Schools. Through these programs, Verizon employees have provided opportunities for students to shadow employees, tour work centers, labs, and garages in order to introduce them to an array of technology careers while strengthening their STEM skills. Verizon looks forward to continuing its efforts to partner with Boston Public Schools and nonprofits that support students across the City.

16. SERVICE QUALITY; LIQUIDATED DAMAGES

(a) The Applicant shall conduct proof of performance tests to the extent required by FCC regulation, with costs borne by the Applicant and results available upon request by the City.

Verizon Response

Verizon agrees to negotiate mutually acceptable terms providing for proof of performance tests to the extent required by FCC regulation, with costs borne by Verizon and results available upon request by the City.

(b) The CATV system shall comply with FCC technical specifications and standards, including 47 CFR § 76.605, if applicable.

Verizon Response

Verizon will comply with FCC technical specifications and standards, including 47 CFR § 76.605, if applicable.

(c) When there exists evidence which, in the judgment of the City, casts doubt on the reliability or technical quality of CATV services, the City shall have the right to require the Applicant to test, analyze and report on the performance of the System, and to conduct or designate follow up work to be negotiated.

Verizon Response

Verizon agrees to negotiate mutually acceptable terms providing for testing, analysis, and performance reporting of Cable Service if the City has evidence raising questions about the reliability or technical quality of Cable Service provided under the Final Cable License.

(d) For breach of certain of the provisions in the Final License, liquidated damages shall be paid by the Applicant within twenty-one (21) days after requests for same by the City in writing, for breaches to be defined and in amounts to be negotiated.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions regarding liquidated damages or, alternatively, other form of security to be negotiated between the Parties. However, the period within which payments should be made or security pursued is a matter that the Parties should negotiate in connection with the Final Cable License.

(e) To the extent permitted by applicable law, including G.L. c. 166A, § 11, the Issuing Authority shall have the right to revoke the final License.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions regarding the right of the City to revoke the Final Cable License in specified circumstances, which may including some or all of the circumstances set forth in G.L. c. 166A, § 11.

(f) In the event that the Issuing Authority has reason to believe that the Applicant has defaulted in the performance of any provision in the final license, except as excused by force majeure, the Issuing Authority shall notify the Applicant in writing of the provision or provisions which may be in default, following processes for breach determination and remedies therefor to be negotiated.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions regarding notification by the City of alleged performance defaults and a process for determining whether there has been a default, allowing for an opportunity to cure, and potential remedies in the event a default isn't cured.

(g) Disputes, controversies or differences may be resolved via arbitration, following processes to be determined through negotiation.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions regarding the arbitration of identified disputes/controversies and a process for conducting an arbitration.

17. REPORTS

(a) The Applicant shall provide, on a monthly or quarterly basis, a set of data identifying construction and availability of service progress via census tract, including but not limited to: Household availability of service; Accessibility of Standard Installation versus Non-Standard Installations; Requests for Service; Denials, Open Requests for Service; and, levels of interest in services (pre-subscription requests, etc.)

Please provide detail and methodology of reporting. Such data should be provided in detailed, machine-readable formats, and be suitable for analysis and evaluation relative to the City’s goals of ensuring fair and equitable deployment of services.

Verizon Response

Verizon is willing to review with the City reports Verizon prepares in the normal course of business relating to such matters as household availability of service, Cable Service installations, requests and status of requests for Cable Service, and levels of interest in services (pre-subscription requests, etc.).

(b) The Applicant shall provide reports agreed to by the parties as described in Section 6(h) above concerning the potential impact of construction adjustments on low-income customers and neighborhoods.

Verizon Response

Verizon agrees to provide such reports as addressed in its Final Cable License with the City.

(c) The Applicant shall provide reports agreed to by the parties as described in Section 15(c) concerning periodic monitoring of the Applicant’s ability to secure diverse employment over the license term.

Verizon Response

Verizon agrees to provide such reports as addressed in its Final Cable License with the City.

(d) The Applicant shall provide reports on subscriber complaints in a manner to be negotiated.

Verizon Response

Verizon agrees to provide such reports as addressed in its Final Cable License with the City.

(e) The Applicant shall periodically submit a list of all significant service interruptions using a form prescribed by the DTC, if available; otherwise, in a reasonable agreed upon format and on agreed upon filing dates.

Verizon Response

Verizon agrees to provide such reports as addressed in its Final Cable License with the City.

(f) Within fifteen (15) days after the Applicant has filed a pleading with any federal or state agency pertaining to any aspect of System operation hereunder or the financial arrangements therefor, it shall file a copy of such pleading with the City.

Verizon Response

Verizon agrees to negotiate mutually acceptable provisions that would provide the City with a copy of any pleading filed by Verizon with a federal or state agency pertaining to any aspect of Cable Service offered in the City. However, the period within which any copy should be provided to the City should be determined through the Parties' further negotiations.

(g) The Applicant shall also provide the City with quarterly Customer Service reports online, tracking its Customer Service activity and overall responsiveness, the precise format of which shall be delineated in a Final License.

Verizon Response

Verizon agrees to provide such reports as addressed in its Final Cable License with the City.

(h) The Applicant shall provide outside plant repair/replacement reports, in a format to be negotiated.

Verizon Response

Verizon is willing to review with the City reports Verizon prepares in the normal course of business relating to the repair/replacement of Cable equipment.

(i) The Applicant shall provide quarterly or annual compliance reports in a format to be negotiated.

Verizon Response

Verizon agrees to provide such reports as addressed in its Final Cable License with the City.

(j) The Applicant shall provide other reports to the extent negotiated by the Applicant and the City.

Verizon Response

Verizon agrees to provide such reports regarding Cable Service to the extent negotiated and included in its Final Cable License with the City.