



COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & CABLE
Competition Division**

FORM 100
LICENSE APPLICATION

Applicant: VERIZON NEW ENGLAND INC.

Authorized Officer (Signature): *Jana C Cupelo*

Municipality: CITY OF BOSTON

Date Submitted to Municipality: May 16, 2016

Type of Application: X Initial License ___ Renewal License

Nature of Application: ___ Formal Proposal pursuant to 47 U.S.C. § 546(a)

 ___ Informal Proposal pursuant to 47 U.S.C. § 546(h)

Proposed License and/or Supporting Materials Attached: X Yes* ___ No

*Supporting materials are attached. Verizon New England Inc. is preparing its proposed license agreement and will submit it to the City of Boston for consideration at a later date.

May 16, 2016

IDENTIFICATION OF APPLICANT

1. Name, corporate address, and corporate telephone number of applicant.

Verizon New England Inc. (“Applicant”, “Verizon”, or the “Company”)
125 High Street
Oliver – 7
Boston, MA 02110
617-743-8800

2. Name, title, business address, business telephone number, and email address of applicant’s Authorized Officer. Attach as Exhibit A evidence of Authorized Officer’s authority.

Ms. Donna C. Cupelo
Region Vice President
Verizon New England Inc.
125 High Street
Oliver – 7
Boston, MA 02110
617-743-8800
donna.c.cupelo@verizon.com

Exhibit A contains a copy of the Consent of Verizon New England’s Board of Directors authorizing Ms. Cupelo to act for the corporation in connection with cable licensing in Massachusetts.

3. Name, title, business address, business telephone number, and email address of individual to whom communications should be sent if different from Authorized Officer.

GENERAL LICENSE INFORMATION

4. Indicate number of years for which initial or renewal license is requested.

Verizon is requesting a term of ten (10) years for this initial License.

5. Indicate proposed start date of initial or renewal license.

Verizon proposes a start date within six to twelve months from the date of this Application for the initial License.

6. For initial license: State whether applicant currently holds licenses or has pending applications in any other Massachusetts municipality. If yes, provide detailed information as to the municipality and license status.

Attached as **Exhibit B** is a list of Massachusetts municipalities where Verizon provides cable services pursuant to License Agreements.

7. **State whether applicant has been a party to any fully adjudicated license-related legal action (e.g., breach of license, denial of license) in any jurisdiction. If yes, provide detailed information on each such legal action, including the disposition.**

Verizon has not been party to any fully adjudicated license-related legal action in any jurisdiction.

8. **State the amount of insurance applicant proposes to carry for the cable system in accordance with G.L. c. 166A, ' 5(c). State whether applicant proposes to carry insurance in addition to that required by the statute, and if so, the purpose and amount.**

Verizon will maintain appropriate insurance for the term of the initial License as negotiated with the City of Boston and will name the City as an additional insured under the appropriate policies.

9. **State the proposed amount of bonding that will be submitted in accordance with G.L. c. 166A, §5(k).**

The specific amount of bonding securing Verizon's performance under the initial License has not yet been determined but will be addressed in negotiations with the City of Boston.

10. **State whether applicant's proposed subscriber privacy policy complies with federal and state law and regulation. If not, explain.**

Verizon proposes to apply the same subscriber privacy policies as it applies to other cable operations for which it is licensed in Massachusetts. Those privacy policies comply with federal and state law and regulations. Verizon Communications Inc. maintains updated statements of its privacy policies, available for public review, on the Company's web site, at www.verizon.com/privacy/.

11. **Describe applicant's proposed procedures for handling customer service inquiries during the term of the license, including but not limited to subscriber complaints. For renewal license, applicant may attach as Exhibit ___ its most recent copy of Billing & Termination Filing and Subscriber Privacy Notice.**

Verizon has a long history of providing quality customer service to Massachusetts residents for telecommunications and cable services. This proud history includes a proven record of handling customer service inquiries and addressing subscriber complaints in a timely fashion. Verizon will seek to continue this high level of service by negotiating appropriate customer service standards in its initial License with the City of Boston. Illustrative terms under which Verizon would provide cable services in the City of Boston are contained in **Exhibit C**, Verizon's most recent Annual Billing Practices filing with the Department dated March 14, 2016.

RATES AND SERVICES

12. For initial license: List broadcast television signals applicant proposes to carry.

A list of the broadcast signals that Verizon proposes to carry is attached as **Exhibit D**. In addition, Exhibit C to this Application contains a representative sample of Verizon's channel lineup in Massachusetts.

For renewal license: State whether applicant's proposed broadcast and cable offerings will differ significantly from offerings currently available in the municipality. Applicant may also attach as Exhibit ___ current channel lineups for all service tiers, including broadcast and cable channels.

13. List separately those channels that are current must carry and those channels that are currently carried pursuant to retransmission consent. *Note: Channels that are must carry and retransmission consent may change throughout the license term beyond the cable operator's control.*

Attached **Exhibit E** contains a current list of must-carry channels and channels which are carried pursuant to retransmission consent for Verizon's existing cable systems in Massachusetts.

14. State whether applicant proposes to offer or continue to offer non-automated local origination programming. If yes, describe in detail the starting date that such programming will be available, the types of programming, the hours per week, the quantity of programming applicant expects to produce within the service area, how the programming will serve the specific needs of the municipality, and applicant's policy regarding making time available for discussion of controversial issues of public importance. Also, list the schedule of fees to access users for production costs and use of origination equipment.

Verizon does not currently and is not proposing to offer non-automated local origination programming.

15. State whether applicant plans to offer or continue to offer public, educational, and governmental access channel(s). If yes, provide the amount and type of financial support, the location of the facilities, the facilities and equipment available (including the cost of such equipment and facilities), the hours of operation, and whether there will be technical assistance available.

Verizon intends to carry public, educational, and governmental access channels on its service offering. The terms and conditions of PEG access and financial support will be addressed in negotiations with the City of Boston for the initial License.

- 16. If applicant plans to offer or maintain an institutional network (I-Net), attach as Exhibit ___ a technical description of the system.**

Verizon will consider offering an INET or equivalent in the City of Boston, subject to negotiations with the City for the initial License.

FOR INFORMATIONAL PURPOSES ONLY:

- 17. Provide a complete listing of all proposed subscriber fees, including those for both regulated and non-regulated cable services, installation, and equipment. For renewal licenses, applicant may attach as Exhibit ___ a current rate card.**

Verizon has not fully determined the rates it will charge for cable offerings in the City of Boston. However, Verizon anticipates that its rates in the City will be generally similar to the rates it charges in other Massachusetts communities and will be competitive with the rates charged by competing cable companies operating in the City. Exhibit C to this Application contains a representative sample of rates for Verizon's cable services in Massachusetts.

- 18. State whether applicant proposes to offer or continue to offer any additional services in the municipality that are not subject to regulation as a cable service, and if so, provide description.**

Verizon provides telephone exchange and exchange access services within many cities and towns in Massachusetts under authority granted by the Massachusetts Department of Telecommunications and Cable. Verizon also provides interstate telecommunications services within Massachusetts under authority granted by the Federal Communications Commission. These services are regulated under Title II of the Communications Act and Chapters 159 and 166 of the Massachusetts General Laws. Verizon also provides high speed data services to customers which are not subject to regulation as cable services. Verizon will continue to offer these services, among others, within the Commonwealth.

TECHNICAL INFORMATION

- 19. State whether the proposed service area is included in a regional cable system.**

If yes, list all of the other communities in the regional system served by the headend(s) that will be used for the proposed service area and the location of such headend(s).

If no, state where the headend(s) will be located in the service area.

This Application is for an initial cable License in a single municipality, and the area to be served is part of a regional system. There is a "headend" location, known as the "Video Hub Office" ("VHO"), in Burlington, Massachusetts. The VHO in Burlington serves all communities within the Commonwealth.

- 20. If the proposed service area is not the entire municipality, specify the nature of the area (e.g., neighborhood) and explain why the entire municipality will not be served**

The initial service area is for the Dudley Square area of Roxbury and the West Roxbury and Dorchester neighborhoods of the City. If Verizon is granted a cable License for the initial service area and is successful in providing cable service to that area, it may seek to amend its License with the City to add other sections of the City consistent with 207 CMR §3:07.

- 21. Describe in detail any problems applicant foresees in extending service to all parts of the proposed service area.**

Verizon does not anticipate any problems in completing the build-out within the service area that will be defined in the initial License with the City of Boston.

- 22. Construction:**

For initial license, indicate the time period in which applicant proposes to begin and complete full-scale construction.

OR

For renewal license, state whether applicant plans significant upgrade or rebuild activity during the renewal term, and if so, file as Exhibit___ a description of the proposed changes and projected dates for the commencement and completion of construction.

As noted elsewhere in this Application, Verizon is currently installing its FTTP systems within the Commonwealth as an upgrade to its telecommunications network under its Title II authority. Verizon intends to upgrade its wire centers to make them capable of providing cable service. Cable service could be provided in the service areas proposed for the City of Boston shortly after completing that activity.

- 23. Attach as Exhibit ___ a technical description of the system, including a strand or street map showing the extent of cable plant in the municipality.**

Attached as **Exhibit F** is a technical description of the Fiber-to-the-Premises (“FTTP”) network and cable service Verizon plans for the City of Boston. Strand or street maps showing existing and/or planned cable plant are highly sensitive information for security and competitive reasons. Verizon is willing to review with the Department and municipal officials those facilities. However, it does not believe placing such sensitive information on a public record is necessary for a thorough review of this initial Application.

- 24. Describe the equipment applicant proposes to offer or continue to offer at the subscriber terminal (e.g., remote control, analog converter, digital converter, high definition converter, digital video recorder).**

A set top box (“STB”) will be required at each television set where the customer desires to receive video signals and the full functionality of Verizon’s interactive cable service. The Company intends to offer more than one type of STB, and the customer will select the STB appropriate for the level of service the customer selects. Each STB will be accompanied by a remote control device.

25. State whether applicant’s proposed safety measures for the cable system comply with federal and state law and regulations.

Verizon will comply during the term of this initial License with applicable federal and state law and regulations in connection with the construction and operation of its FTTP network and the cable system.

26. State whether applicant’s Emergency Alert System (EAS) complies with federal and state law and regulations.

Verizon will comply with all federal regulations and applicable state and local EAS plans in connection with the Emergency Alert System during the term of the initial License.

OWNERSHIP AND FINANCIAL INFORMATION

27. If applicant is a publicly-traded corporation or subsidiary of a publicly-traded corporation, attach as Exhibit ___ a copy of the corporation’s most recent annual report to stockholders. Otherwise, attach as Exhibit ___ an audited financial statement as of the most recent audit, showing applicant’s financial position.

If the status and composition of any assets or liabilities on the audited financial statement is not clearly defined by the respective titles, attach as Exhibit ___ schedules that provide a definition of such terms.

If recent financial information, i.e., an annual report or an audited financial statement, is not available, complete the Supplement to License Application.

Verizon New England Inc. is a wholly-owned subsidiary of Verizon Communications Inc., a publically traded corporation. Verizon Communication’s 2015 audited financial statements from its 2015 Annual Report to Shareholders are attached as **Exhibit G**.

The 2015 Annual Report to Shareholders of Verizon Communications is available online at: http://www.verizon.com/about/sites/default/files/annual/verizon-annual-2015/downloads/15_vz_ar.pdf. A hard copy of the Annual Report will be provided upon request.

28. Provide the following system information as of the last complete year for which the data is available:

a. Total Homes in Service Area (passed and not passed by cable system)

- b. **Homes Passed by Cable System**
- c. **Cable Subscribers**
- d. **Aerial Miles Constructed**
- e. **Underground Miles Constructed**
- f. **Total Cable Subscriber Revenues in Service Area**

The question is not applicable because this is an Application for an initial License in the City of Boston, and none of the requested information exists for prior years. In addition, the system is being constructed as an upgrade to Verizon’s existing telecommunications network which falls under Title II of the Communications Act. Thus, information about the system’s construction is not relevant for this License Application until Verizon provides cable services over the system.

29. Indicate appropriate business structure for applicant:

- Individually owned**
- Corporation serving one community**
- Corporation operating cable systems in more than one community, but these operations are not separate corporations**
- Partnership**
- Other (specify)**

30. Complete a “corporate family tree” for each of the corporations or other business entities listed in the following levels. For example, if there is one corporation named in Level 0, two in Level 1, one in Level 2, one in Level 3, two in Level A, and none in Level B, seven sets of responses must be filed, one for each of the seven corporations or other business entities identified in the “corporate family tree.”

Attached as **Exhibit H** is the requested “corporate family tree”. This Exhibit shows the relationship of the Applicant (Level 0) to NYNEX Corporation (Level 1), and thence to Verizon Communications Inc. (Level 2). No Level 3 parent relationship exists, and there are no Level A or B subsidiaries of Applicant. Also included in the Exhibit is the City and State of the principal office of each of the named corporations.

31. For corporations, list all officers and directors (whether or not they own stock) and stockholders who own 1% or more of the voting stock of the corporation, as well as the city and state of residence and corporate position. If an ownership interest exists, record this to the nearest whole percent based on the total number of outstanding shares of voting stock in the corporation, exclusive of treasury stock. Where stock is

held by a stockholder in a street name, this fact should be noted, but no further information concerning such stockholder need be furnished.

OR

For partnership, list the name, city, and state of residence, and percent of interest in the partnership of each general or limited partner.

The requested information is contained in attached **Exhibit I**.

- 32. Has any individual named in Question 31 been found guilty of any felony in any federal or state court within the past ten years? If yes, submit as Exhibit___ a statement disclosing the individual and matters involved and identifying the court and proceeding by date and file numbers.**

No.

- 33. If any individuals listed in Question 31 are aliens, submit as Exhibit___ a list of their names, addresses, and nationalities.**

All directors and officers are United States citizens.

- 34. If applicant is unable to supply all of the information requested herein for itself or any of the corporations or other business entities named, submit as Exhibit___ a list of those individuals or business entities for which any of the requested information is not being furnished, and include a detailed explanation of why the omitted material is unavailable.**

All requested information is being furnished.

SUPPLEMENT TO LICENSE APPLICATION

This Supplement to the License Application must be completed by any applicant that is not able to provide an annual report or an audited financial statement for its most recently completed fiscal year.

In completing Schedules A through E, provide pro forma information for each year in a ten-year projected period.

In completing Schedule F, appropriate documentation must be provided to ensure the applicant has secured the proper financial commitment.

SCHEDULE A: ASSETS

CURRENT ASSETS

- Cash and Equivalents
- Accounts Receivable, Less Allowances
- Inventory
- Prepaid Expenses
- Other Current Assets
- TOTAL CURRENT ASSETS

FIXED OPERATING ASSETS

- Land
- Buildings
- Headend Equipment
- Trunk and Distribution Equipment
- Subscriber Devices
- Other Fixed Operating Assets
- Construction Work in Progress
- TOTAL FIXED OPERATING ASSETS
- Accumulated Depreciation
- NET FIXED OPERATING ASSETS

OTHER OPERATING ASSETS

- Franchise Acquisition Costs
- Excess Fair Value
- Goodwill
- Other Intangible Assets
- TOTAL OTHER ASSETS
- Accumulated Amortization
- NET OTHER ASSETS

TOTAL NET ASSETS

SCHEDULE B. LIABILITIES

CURRENT LIABILITIES

Accounts Payable
Subscriber Advance Payments and Deposits
Debt Due Within One Year
Current Taxes Payable
Other Current Liabilities
TOTAL CURRENT LIABILITIES

NON-CURRENT LIABILITIES

Long-Term Debt
Notes Payable
Bonds Payable
Obligation on Capitalized Leases
Deferred Taxes
Other Non-Current Liabilities
TOTAL NON-CURRENT LIABILITIES

OWNER'S EQUITY

Net Assets Due From/To Parent Company
Capital Stock
Retained Earnings – Gross
Accumulated Dividends
Other Owner's Equity
TOTAL OWNER'S EQUITY

TOTAL LIABILITIES AND EQUITY

SCHEDULE C: LOCAL CHARACTERISTICS

CONSTRUCTION AND SUBSCRIBERS

Total Homes in Service Area
Aerial Miles Constructed
Underground Miles Constructed
TOTAL Miles Constructed
Homes Passed by Cable
Subscribers at End of Year

SCHEDULE D: OPERATING INCOME

SUBSCRIBER REVENUE
Installation Income
Equipment Revenue
Basic Service Tier Revenue
Cable Programming Service Tier Revenue
Premium Service Revenue
Per Program or Per Channel Revenue
Other Subscriber Revenue
TOTAL SUBSCRIBER REVENUE

NON-SUBSCRIBER REVENUE
Advertising Income
Other Income
TOTAL NON-SUBSCRIBER REVENUE

TOTAL OPERATING INCOME

SCHEDULE E: OPERATING EXPENSES

DIRECT OPERATING EXPENSES
Programming Expenses
Net Bad Debt and Collection Expenses
Salaries and Benefits
Repairs and Maintenance
Light, Heat, and Power
Pole and Duct Rental
Administration - Office and Billing
Marketing
Local Origination
Other
TOTAL OPERATING EXPENSES

DEPRECIATION AND AMORTIZATION
Depreciation
Amortization
TOTAL DEPRECIATION AND AMORTIZATION

TOTAL EXPENSES

SCHEDULE F: DEBT FINANCING

DEBT FINANCING PLAN

Provide the commencement date, interest rate, repayment terms, and outstanding amount for each loan held by the applicant.

Attach as Exhibit___ a description of each financial agreement to include the lender, terms, conditions and security.

If lender is a bank or financial institution, a letter of intent or commitment must be included. If lender is a corporation, individual, or partnership, a financial statement showing net worth equal to amount of commitment or a letter of commitment from a financial institution for the specific project must be included.