

City of Boston, Massachusetts  
Issuing Authority Report of Martin J. Walsh, Mayor

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To

Applicant Verizon New England, Inc.

June 2, 2016

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**1. BACKGROUND OF LICENSING PROCESS**

(a) Mayor Martin J. Walsh, as Issuing Authority (the “Issuing Authority”) for the City of Boston (“City”), is authorized to award a non-exclusive cable television (“Cable” or “CATV”) license for the provision of video services within the City.

(b) The Issuing Authority initiated the CATV licensing process on April 12, 2016 by means of a notice letter filed with the Massachusetts Department of Telecommunications and Cable (“Department” or “DTC”), pursuant to 207 CMR §§ 3.02(1)(a) and 3.03(1)(a).

(c) Also on April 12, 2016, pursuant to 207 CMR § 2.04, the Issuing Authority requested waivers from the Department seeking approval to: (1) shorten from 60 days to 30 days the time period for soliciting CATV license proposals; and (2) waive the obligation to publish the solicitation in an approved trade publications. The Department granted both waiver requests on April 12, 2016.

(d) Pursuant to 207 CMR § 3.03(2), on April 15 and 22, 2016, the Issuing Authority published two separate notices of the Issuing Authority’s decision to solicit CATV license proposals (“Notices”) in the following newspaper of general circulation: Boston Herald. The Notices list May 16, 2016 as the deadline for receipt of proposals, which is more than thirty (30) days following publication as required by 207 CMR § 3.03(2) as modified by the Department’s waiver granted on April 12, 2016. See Section I(c) above.

(e) In response to the notices, the Issuing Authority received one (1) CATV license proposal (“Proposal”) from Applicant Verizon New England, Inc. (“Applicant” or “Verizon”), dated May 16, 2016. The Proposal consists of the following: (1) filing letter; (2) completed Department Form 100 licensing application; and (3) Form 100 Exhibits. The Issuing Authority received no other proposals by the May 16, 2016 deadline set in the notices.

(f) Pursuant to 207 CMR § 3.03(3), the Issuing Authority hereby issues its Issuing Authority Report (“IAR”) on the Verizon Proposal, within 90 days of receipt of the Application as required by 207 CMR § 3.03(3). The IAR respectfully requests that the Applicant submit a revised Proposal that, among other things, answers questions stated in this IAR, by the deadline stated below.

(g) Pursuant to 207 § CMR 3.03(3), only the Applicant may respond to the IAR.

(h) Following receipt of the Applicant’s response, the City shall schedule one or more public hearings pursuant to 207 CMR § 3.03(4) to assess the Applicant’s qualifications, and shall commence negotiations with the Applicant to seek to reach agreement on either a Provisional or Final CATV license.

## 2. SUBMISSION INSTRUCTIONS

(a) The Issuing Authority requests that the Applicant respond to this IAR by submitting an amended Proposal, including but not limited to an Amended Form 100 and supplemental materials that answer questions outlined herein, to the Issuing Authority on or before the deadline date of Wednesday, July 6, 2016.

(b) In providing the amended Proposal and related materials, the Applicant should furnish two (2) copies in hard copy or via email by no later than five (5:00) p.m. on the deadline date, with the proviso that parties providing materials by email should follow up such email submissions by transmitting two (2) hard copies by overnight mail or hand delivery to the following address:

Mike Lynch, Director for Broadband & Cable  
Boston Dept. of Innovation & Technology (DoIT)  
43 Hawkins Street  
Boston, MA 02114  
Mike.Lynch@boston.gov

(c) The Applicant shall also send one (1) copy of its amended Proposal and related materials in the same manner specified above to the City's Law Department at:

Eugene L. O'Flaherty  
Corporation Counsel  
1 City Hall Square  
Room 615  
Boston, MA 02201  
eugene.oflaherty@boston.gov

(d) Questions about this IAR prior to the July 6, 2016 response date shall be addressed, in writing only, to Mike Lynch, Director for Broadband & Cable at the address specified in section (b) above, with a copy to the City Law Department at the address specified in section (c).

## 3. CLARIFICATIONS REGARDING INITIAL FORM 100 APPLICATION

(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 tract 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.

(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

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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.

(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.

(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.

#### **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.

#### **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.

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(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.

(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.

(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.

(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.

(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.

**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").

(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.

(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.

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

(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.

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

(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.

(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.

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(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.

(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.

(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.

(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?

(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.

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

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

(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.

(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.

(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.

(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.

(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.

(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,

(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.

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(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.

(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 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.

(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.

(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.

(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.

(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.

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(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.

(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.

**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.

**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.

(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.

(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.

(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 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?

(e) The Applicant shall provide, upon request and free of charge, residential subscribers with the capability of controlling the reception of channels containing

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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.

(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.

(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.

**9. SERVICE AND PROGRAMMING**

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

(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.

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

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

(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.

(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.

(g) The Applicant shall comply with all FCC rules and regulations, as well as DTC 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.

(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.

(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.

(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.

(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.

(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.

(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

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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.

(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.

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

**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.

(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.

(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.

(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.

**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.

(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.

(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.

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(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.

**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.

(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.

(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.

(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.

#### **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.

(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.

(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.

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

(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.

(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.

(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.

(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.

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(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.

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

(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.

**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.

(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.

(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?

(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.

(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.

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(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.

**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.

(b) The CATV system shall 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.

(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.

(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.

(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.

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

**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.

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(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.

(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.

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

(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.

(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.

(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.

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

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

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