

# STATE OF NEW YORK

4783

2017-2018 Regular Sessions

## IN ASSEMBLY

February 3, 2017

Introduced by M. of A. DINOWITZ -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public service law, in relation to authorizing statewide cable franchises for the purposes of competitive cable service, promoting the wide-spread development of high-capacity broadband internet access, and increasing the availability and quality of services in this key economic development area and ensuring the safety, reliability and affordability of telecommunications services

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public service law is amended by adding a new article 11-A to read as follows:

### ARTICLE 11-A

#### STATEWIDE CABLE FRANCHISING AND REGULATION

##### Section 231. Definitions.

232. Authorization to provide cable service.

233. Public service commission responsibilities.

234. Application for statewide cable franchise.

235. Length of statewide franchise.

236. Termination of a statewide franchise.

237. Abandonment of service.

238. Municipal power and regulation over franchise holders.

239. Payment and remittance of franchise fee.

240. Public, educational and government channels.

241. Cable operator's community commitment.

242. Consumer protection rules.

243. Neutral internet and broadband networks.

244. Deployment requirements for statewide cable franchise.

245. Discrimination in the provisioning of service prohibited.

246. Enforcement.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD07583-01-7

1     § 231. Definitions. The words and phrases used in this article shall  
2 have the following meanings unless a different meaning clearly appears  
3 in the context.

4     1. "Cable service" shall mean the one-way transmission to subscribers  
5 of video programming; or other programming service, and subscriber  
6 interaction, if any, which is required for the selection or use of such  
7 video programming or other programming service, regardless of the tech-  
8 nology utilized by a cable television company to enable such selection  
9 or use.

10    2. "Cable operator" shall mean any person or group of persons (a) who  
11 provides cable service over a cable system and directly or through one  
12 or more affiliates owns a significant interest in such cable system, or  
13 (b) who otherwise controls or is responsible for, through any arrange-  
14 ment, the management and operation of such a cable system, as set forth  
15 in 47 U.S.C. § 522(5).

16    3. "Cable system" shall mean any facility, consisting of a set of  
17 closed transmission paths and associated signal generation, reception  
18 and control equipment that is designed to provide cable service which  
19 includes video programming, without regard to the technology used to  
20 deliver such video programming, including internet protocol technology  
21 or any successor technology and which is provided to multiple subscri-  
22 bers within a community, as set forth in 47 U.S.C. § 522(7), but such  
23 term does not include:

24     (a) a facility that serves only to retransmit the television signals  
25 of one or more television broadcast stations;

26     (b) a facility that serves subscribers without using any public right-  
27 of-way;

28     (c) a facility of a common carrier which is subject, in whole or in  
29 part, to the provisions of Title II of the Communications Act of 1934,  
30 47 U.S.C. § 201 et seq., except that such facility shall be considered a  
31 cable system (other than for purposes of 47 U.S.C. § 541(c)) to the  
32 extent such facility is used in the transmission of video programming  
33 directly to subscribers, unless the extent of such use is solely to  
34 provide interactive on-demand services;

35     (d) an open video system that complies with 47 U.S.C. § 573; or

36     (e) any facilities of any electric utility used solely for operating  
37 its electric utility system.

38    4. "CATV company" shall mean any person or group of persons (a) who  
39 provides cable service over a cable system and directly or through one  
40 or more affiliates owns a significant interest in such cable system, or  
41 (b) who otherwise controls or is responsible for, through any arrange-  
42 ment, the management and operation of such a cable system.

43    5. "CATV system" shall mean any facility which receives and amplifies  
44 the signals broadcast by one or more television stations and redistrib-  
45 utes such signals by wire, cable or other means, or which distributes  
46 signals it originates or which are originated by another for viewing by  
47 subscribers, whether the wire, cable or other facilities are owned or  
48 leased. A "CATV system" shall not include:

49     (a) the poles or other facilities of any telephone corporation used to  
50 provide channel service as a common carrier,

51     (b) a system serving not more than two hundred fifty subscribers, or

52     (c) a master antenna system servicing subscribers situated on property  
53 under common ownership.

54    6. "Commission" shall mean the public service commission or any  
55 successor agency.

1     7. "Franchise" shall mean an initial authorization, or renewal of an  
2 authorization, issued by a franchising authority, regardless of whether  
3 the authorization is designated as a franchise, permit, license, resol-  
4 ution, contract, certificate, agreement, or otherwise, that authorizes  
5 the construction and operation of a cable system in the public rights-  
6 of-way.

7     8. "Franchise holder" or "holder" shall mean a person who has received  
8 a state-wide franchise, but has not transferred or terminated such fran-  
9 chise authorization, in accordance with the provisions of this article.

10    9. "Franchising authority" shall mean the public service commission  
11 and municipalities which are entitled to require franchises and impose  
12 fees in accordance with 47 U.S.C. §§ 522(10) and 542, respectively.

13    10. "Gross revenues" shall mean any and all revenues, including cash,  
14 credits, property or other consideration of any kind or nature arising  
15 from, attributable to, or in any way derived directly or indirectly from  
16 the operation of the franchisee's cable system (including the studios  
17 and other facilities associated therewith) to provide cable services.  
18 Gross revenues include, by way of illustration and not limitation,  
19 monthly fees charged subscribers for any basic, optional, premium, per-  
20 channel, per-program service, or cable programming service; installa-  
21 tion, disconnection, reconnection, and change-in-service fees; leased  
22 channel fees; late fees and administrative fees, payments, or other  
23 consideration received from programmers for carriage of programming on  
24 the system; revenues from rentals or sales of converters or other equip-  
25 ment; any studio rental, production equipment, and personnel fees;  
26 advertising revenues; barter; revenues from program guides; revenues  
27 from the sale or carriage of other cable services; and revenues from  
28 home shopping channels and other revenue sharing arrangements. Gross  
29 revenues shall include revenues received by any entity other than the  
30 franchisee, an affiliate, or another entity that operates the system  
31 where necessary to prevent evasion or avoidance of the obligation under  
32 this statute to pay the franchise fee. Gross revenues shall not include:

33    (a) amounts not actually received, even if billed, such as bad debt;  
34 refunds, rebates or discounts to subscribers or third parties; or reven-  
35 ue imputed from the provision of cable services for free or at reduced  
36 rates to any person as required or allowed by law, including, without  
37 limitation, the provision of such services to public institutions,  
38 public schools, governmental entities, or employees, other than forgone  
39 revenue chosen not to be received in exchange for trades, barter,  
40 services, or other items of value; or

41    (b) any revenue from any charges or fees derived from services classi-  
42 fied as non-cable services and information services and any other reven-  
43 ues attributed by the holder of a certificate of approval or systemwide  
44 franchise to non-cable services in accordance with federal communi-  
45 cations commissions rules, regulations, standards, or orders.

46    In the case of cable service that may be bundled or integrated func-  
47 tionally with other services, capabilities or applications, the gross  
48 revenues shall only include those charges or fees derived from or  
49 attributable to the provision of cable service, as reflected on the  
50 books and records of the holder of a certificate of approval or a  
51 system-wide franchise, as the case may be, in accordance with the rules,  
52 regulations, standards and orders of the federal communications commis-  
53 sion.

54    11. "Incumbent cable operator" shall mean the cable operator serving  
55 the largest number of cable subscribers in a particular municipal fran-  
56 chise area on the effective date of this article.

1 12. "Municipality" shall mean a city or town within the state.

2 13. "Person" shall mean an individual, partnership, association, joint  
3 stock company, trust, corporation, government entity, limited liability  
4 company or any other entity.

5 14. "Public right-of-way" shall mean the area on, below or above a  
6 public roadway, highway, street, public sidewalk, alley, waterway, or  
7 utility easement in which a municipality has an interest.

8 15. "Video programming" shall mean programming provided by, or gener-  
9 ally considered comparable to, programming provided by a television  
10 broadcast station, as set forth in 47 U.S.C. § 522(20).

11 § 232. Authorization to provide cable service. 1. Notwithstanding any  
12 other law to the contrary and subject to the provisions of this article,  
13 a person seeking to provide cable service in the state after the effec-  
14 tive date of this article may file an application for a statewide fran-  
15 chise with the commission as required by this section. This article does  
16 not preclude cable operators from filing individual applications under  
17 article eleven of this chapter, provided however that a person filing an  
18 application for a statewide franchise with the commission shall be  
19 required upon receipt of such franchise to comply with section two  
20 hundred forty-two of this article with regard to all in-state broadband  
21 and broadband-capable facilities and lines built during the initial  
22 build-out period pursuant to the authorization provided by such fran-  
23 chise, and for the period of the initial build-out period with regard to  
24 such person's in-state broadband and broadband-capable facilities and  
25 lines in existence when such franchise becomes effective.

26 2. A person, including an incumbent cable operator, providing cable  
27 service under a franchise agreement with a franchising authority which  
28 existed prior to the effective date of this article is not subject to  
29 this section until the franchise agreement expires at the end of its  
30 original or any mutually agreeable renewal term, or unless and until the  
31 franchising authority and entity providing cable service mutually agree  
32 to terminate the existing franchise agreement.

33 3. Nothing in this section shall restrict a cable operator from apply-  
34 ing to the commission for a statewide franchise to provision cable  
35 services in territories of the state for which it does not have an  
36 existing franchise agreement with a franchising authority. For purposes  
37 of this section, a cable operator will be deemed to have a franchise to  
38 provide cable service in the jurisdiction of a specific franchising  
39 authority if any affiliate, predecessor or successor entity of the cable  
40 operator maintains a franchise granted by that franchising authority.  
41 The terms "affiliate, predecessor or successor entity" in this section  
42 shall include but not be limited to any entity receiving, obtaining or  
43 operating under a franchise from a franchising entity for cable service  
44 through the grant of a franchise, merger, sale, assignment, restructur-  
45 ing, or any other type of transaction.

46 4. The commission shall have the franchising authority to issue state-  
47 wide franchises for the provisioning of cable service under this arti-  
48 cle. Neither the commission nor any municipality in the state may  
49 require the franchise holder to obtain any separate or additional fran-  
50 chise or otherwise impose any fee or other requirement, including but  
51 not limited to the regulation of cable service rates, on any franchise  
52 holder as a condition of providing cable service, except as provided in  
53 this article.

54 5. 16 NYCRR § 895.3, as amended from time to time, shall not apply to  
55 this article.

1     § 233. Public service commission responsibilities. 1. The commission  
2 shall assign existing permanent staff of such legal, technical and other  
3 employees of the commission as may be required for the proper conduct of  
4 its cable franchising responsibilities under this article. The powers  
5 and duties of the public service commission with respect to statewide  
6 franchises shall not exceed those prescribed in this article.

7     2. The commission shall be responsible for establishing additional  
8 administrative procedures and regulations not explicitly granted in this  
9 article for the issuance of statewide franchises in accordance with the  
10 provisions of this article. The commission's administrative powers and  
11 duties shall be limited to the provision found in section two hundred  
12 thirty-four of this article and additional powers including the:

13     (a) Development of procedures to submit, review and document applica-  
14 tions filed with the commission;

15     (b) Review of the initial submission and any updates of the general  
16 description of the service area footprint to be served or expanded,  
17 including, if applicable, any area within a municipality to be served by  
18 an applicant;

19     (c) Determination and notice of incomplete applications;

20     (d) Approval of applications and amended applications, or denial of  
21 such applications, within the periods designated under the provisions of  
22 this article;

23     (e) Issuance to applicants whose applications are approved for state-  
24 wide franchises to provide cable service in the service area footprint  
25 described in the application; to construct, upgrade, operate or maintain  
26 a network capable of providing such service, and to use and occupy the  
27 public rights-of-way in the delivery of that service;

28     (f) Development of procedures to review and document the transfer or  
29 termination of a statewide franchise;

30     (g) Establish guidelines in addition to those developed by munici-  
31 palities under section two hundred thirty-eight of this article, to deal  
32 with any consumer complaints or complaints alleging violations of any  
33 provisions of this article. Such guidelines shall be easily accessible  
34 to residents of the state and shall be posted on the internet. The  
35 commission shall also provide consumer complaint forms on the internet  
36 even if municipalities establish their own complaint forms. In such  
37 cases, municipalities and the commission will work cooperatively to  
38 address consumer complaints.

39     § 234. Application for statewide cable franchise. 1. Any person wish-  
40 ing to provide cable service in the state after the effective date of  
41 this article may file an application for a statewide franchise with the  
42 commission as required by this section. A statewide franchise applica-  
43 tion shall be accompanied by an application fee of ten thousand dollars  
44 that shall be used by the commission to carry out the purposes of this  
45 article. Nothing in this section requires that any person or entity file  
46 an application for a statewide franchise.

47     2. Applications for a statewide franchise shall contain but not be  
48 limited to:

49     (a) A statement that the applicant has filed or will timely file with  
50 the Federal Communications Commission all forms required by that agency  
51 in advance of offering cable service in this state;

52     (b) A statement that the applicant agrees to comply with all other  
53 applicable federal, state statutes and regulations and all generally  
54 applicable municipal ordinances and regulations, including without limi-  
55 tation municipal ordinances and regulations regarding the time, place



1 and manner of using and occupying public rights-of-way adopted in  
2 accordance with state and federal law;

3 (c) A general description of the service area footprint to be served,  
4 including, if applicable, any area within a municipality to be served by  
5 the applicant. Such description may be set forth on one or more maps. If  
6 the applicant is a telephone corporation or an affiliate of a telephone  
7 corporation, the service area will include a description of the territo-  
8 ry in which the company provides telephone service. Descriptions of  
9 service area footprints shall be updated by the applicant prior to the  
10 expansion of cable service to a previously undesignated service area  
11 and, upon such expansion, written notice shall be given to the commis-  
12 sion of the new service area to be served by the applicant. The state-  
13 issued franchise area and any service area within the franchise area may  
14 extend beyond the area or areas where the applicant has pre-existing  
15 authority to occupy the public rights-of-way;

16 (d) The location of the applicant's principal place of business, the  
17 names of the applicant's principal executive officers, and the name,  
18 address and telephone number of an officer, general partner or other  
19 employee of the applicant who will be responsible for ongoing communi-  
20 cations with the commission;

21 (e) The name and location of the principal place of business of the  
22 applicant's parent company, if any;

23 (f) The signature of an officer or general partner of the applicant  
24 verifying the information set forth in the application;

25 (g) Demonstrate the financial, technical, managerial and legal charac-  
26 ter and other qualifications needed to construct, operate, and maintain  
27 the necessary plant and to provide service in a safe, adequate and prop-  
28 er manner;

29 (h) Provide a record of compliance with local, state and federal laws;  
30 and

31 (i) Provide additional information as needed by the commission.

32 3. Upon filing an application with the commission for a system-wide  
33 franchise agreement pursuant to subdivision two of this section, the  
34 applicant shall include a list of the specific municipalities to which  
35 CATV service will be provided or extended, the anticipated construction  
36 and deployment dates, and the anticipated date on which service will be  
37 offered and a certified statement that such deployment will meet the  
38 requirements of section two hundred forty-four of this article. The  
39 applicant will concurrently provide a copy of the application to each  
40 affected municipality.

41 4. Within fifteen business days after it receives the application, the  
42 commission shall:

43 (a) determine whether an application submitted is incomplete; and

44 (b) if so, the commission shall notify the applicant that the applica-  
45 tion is incomplete and identify the information that the commission must  
46 receive from the applicant to make the application complete.

47 5. Within sixty business days after it receives the completed applica-  
48 tion, the commission shall approve the application and issue a statewide  
49 franchise to the applicant, or deny the application. Within sixty days  
50 of the receipt thereof, the commission shall schedule three public hear-  
51 ings to be held in different geographical areas of the state to gain  
52 public comment in consideration of the application. On or before the  
53 expiration of the sixty-day period, the commission shall issue an order  
54 in writing approving the application if the applicant has complied with  
55 the requirements for a statewide franchise, or the commission shall  
56 disapprove the application in writing citing the reasons for disapproval

1 if the board determines that the application for a statewide franchise  
2 does not comply with the requirements for a statewide franchise. The  
3 commission may deny the application if the applicant has failed to state  
4 in the application the information and representations required by  
5 subdivision two of this section. If the commission denies the applica-  
6 tion, it must specify with particularity the reason or reasons for the  
7 denial, and the applicant may amend its application to cure any defi-  
8 ciency. The commission shall decide such amended application within ten  
9 business days of its submission to the commission by the applicant. If  
10 the commission denies the application, the commission shall schedule a  
11 public meeting with the applicant to explain to the applicant the  
12 reasons for the commission's disapproval. Such meeting shall be sched-  
13 uled no later than thirty days following the expiration of the sixty-day  
14 review period as required by this section. The applicant shall have  
15 thirty days following the date of the meeting with the commission to  
16 file an appeal of the board's decision. The commission shall thereafter  
17 schedule an administrative hearing not later than the thirtieth day  
18 following the date of the filing of the applicant's appeal in order to  
19 consider the applicant's appeal. The commission shall issue a final  
20 decision in written form on the applicant's appeal not later than the  
21 sixtieth day following the administrative hearing, required by this  
22 subdivision, on the applicant's appeal. After an administrative period  
23 an applicant may challenge a denial of its application or amended appli-  
24 cation in any court of competent jurisdiction.

25 6. A statewide franchise authorization issued by the commission shall  
26 contain:

27 (a) A grant of a franchise to provide cable service in the service  
28 area footprint described in the application; to construct, upgrade,  
29 operate or maintain a network capable of providing such service, except  
30 where this grant is not required and to use and occupy the public  
31 rights-of-way in the delivery of that service; and

32 (b) A statement that the franchise grant in subdivision one of this  
33 section is subject to lawful operation of the cable service by the  
34 applicant or its successor in interest.

35 7. An applicant having pre-existing authority to utilize the public  
36 rights-of-way is required to obtain a statewide franchise prior to the  
37 actual provision of cable service on a commercial basis directly to  
38 subscribers. However, such an applicant is not required to obtain a  
39 statewide franchise or any municipality authorization, except for being  
40 subject to municipality right-of-way requirements, in order to  
41 construct, upgrade, operate or maintain a network that is capable of  
42 providing cable service.

43 8. A system-wide franchise issued by the board shall be nontransfera-  
44 ble, except by written consent of the board.

45 § 235. Length of statewide franchise. A statewide franchise issued by  
46 the commission shall be valid for ten years from the date of issuance.  
47 Renewal of a system-wide franchise shall be valid for a period of  
48 fifteen years from the date of the renewal issuance, and the commission  
49 shall establish rules governing the renewal of a system-wide franchise.

50 § 236. Termination of a statewide franchise. 1. A franchise shall  
51 terminate at the expiration of its term or otherwise in accordance with  
52 the provisions thereof, unless, prior thereto, the commission otherwise  
53 orders. The commission may so order only if it finds, after public  
54 notice and opportunity for a hearing, that the franchisee:

55 (a) has committed a material breach of its franchise or any applicable  
56 provision of this article or of the regulations promulgated hereunder

1 and has failed, without reasonable justification, to cure said breach  
2 within sixty days after having received written notice thereof from the  
3 commission; or

4 (b) has not met the requirements of sections two hundred forty-three  
5 and two hundred forty-four of this article;

6 (c) has engaged in blocking of lawful content or web sites or services  
7 of competitors, or refused to interconnect its facilities with the  
8 facilities of another provider of broadband network services on reason-  
9 able and nondiscriminatory terms or conditions; or

10 (d) has been adjudicated as bankrupt or has filed a voluntary petition  
11 for bankruptcy or reorganization or for an order protecting its assets  
12 from the claims of creditors and the commission finds that termination  
13 of the franchise or certificate of confirmation under such conditions is  
14 in the best interest of the public.

15 2. Upon termination of a franchise or certificate of confirmation, the  
16 cable operator shall dispose of its facilities in accordance with the  
17 provisions of the franchise or certificate. However, on motion of any  
18 interested party or upon its own motion, and after public notice and  
19 opportunity for hearing, if the commission finds that the continued  
20 presence of the facilities in any public thoroughfare would pose a  
21 nuisance to the municipality or its residents, the operator shall remove  
22 its facilities within such period as the commission shall order. In the  
23 absence of any applicable franchise or certificate provision or order by  
24 the commission to the contrary, the cable television company may abandon  
25 its facilities.

26 § 237. Abandonment of service. 1. No cable operator may abandon any  
27 service or portion thereof without giving six months' prior written  
28 notice to the commission and to the franchisor, if any, and to the muni-  
29 cipalities it serves.

30 2. When abandonment of any service is prohibited by a franchise, no  
31 cable operator may abandon such service without written consent of the  
32 commission. In granting such consent, the commission may impose such  
33 terms, conditions or requirements as in its judgment are necessary to  
34 protect the public interest.

35 § 238. Municipal power and regulation over franchise holders. A muni-  
36 cipality may:

37 1. Exercise its public rights-of-way authority over franchise holders,  
38 including requiring franchise holders to follow municipal ordinances as  
39 well as all applicable local, state and federal laws;

40 2. Receive, mediate, and resolve cable service quality complaints from  
41 a franchise holder's customers within the municipality;

42 3. Require a franchise holder who is providing cable service within  
43 the municipality to register with the municipality, maintain a point of  
44 contact, and provide notice of any franchise authorization transfer to  
45 the municipality within fourteen business days after the completion of  
46 the transfer;

47 4. Establish reasonable guidelines regarding the use of public, educa-  
48 tional, and governmental access channels within the municipality in  
49 addition to those established in section two hundred forty-one of this  
50 article.

51 § 239. Payment and remittance of franchise fee. 1. The franchise hold-  
52 er who offers cable service within the jurisdiction of a municipality  
53 shall calculate and remit to the municipality at the end of each calen-  
54 dar year quarter a franchise fee, as provided in this section. The obli-  
55 gation to calculate and remit the franchise fee to a municipality begins  
56 immediately upon provision of cable service within that municipality's



1 jurisdiction, but the first remittance shall not be due until the end of  
2 the first calendar year quarter that is later than one hundred eighty  
3 days after the provision of cable service began.

4 2. The franchise fee shall be calculated as a percentage of the hold-  
5 er's gross revenues, as defined in section two hundred thirty-one of  
6 this article and shall be five percent. A municipality may, by ordi-  
7 nance, change the percentage applied to the gross revenues of the hold-  
8 er.

9 3. No fee under this section will become due until the municipality  
10 certifies and provides documentation to the franchise holder supporting  
11 the percentage paid by any incumbent cable operator serving the area  
12 within the municipality's jurisdiction.

13 4. No municipality or any other political subdivision of this state  
14 may assess any additional fees or charges or require other remuneration  
15 of any kind from the franchise holder other than as set forth in this  
16 section, provided, however, that the provision of in-kind services or  
17 support, personnel and funding dedicated to public, educational and  
18 government facilities and services shall not be considered additional  
19 fees, charges or remuneration.

20 5. For purposes of this section, in the case of a cable service that  
21 may be bundled or integrated functionally with other services, capabili-  
22 ties or applications, the franchise fee shall be applied only to the  
23 gross revenues, as defined in this article, attributable to cable  
24 service or the use of the cable system and facilities, as reflected on  
25 the books and records of the holder in accordance with generally  
26 accepted accounting principles and Federal Communications Commission  
27 rules, regulations, standards or orders, as applicable.

28 6. The franchise fee shall be remitted to the applicable municipality  
29 quarterly, within forty-five days after the end of the quarter for the  
30 preceding calendar quarter. Each payment shall be accompanied by a  
31 summary explaining the basis for the calculation of the franchise fee.  
32 Not more than once annually, a municipality may examine the franchise  
33 holder's business records to the extent reasonably necessary to ensure  
34 compensation in accordance with this section. Each party shall bear the  
35 party's own costs of the examination. Any claims by a municipality that  
36 compensation is not in accordance with this section, and any claims for  
37 refunds or other corrections to the remittance of the franchise holder,  
38 must be made within three years and forty-five days of the end of the  
39 quarter for which compensation is remitted, or three years from the date  
40 of remittance, whichever is later. Either a municipality or the fran-  
41 chise holder may, in the event of a dispute concerning compensation  
42 under this section, bring an action in a court of competent jurisdic-  
43 tion.

44 § 240. Public, educational and government channels. 1. In addition to  
45 the requirements set forth in 16 NYCRR Sec. 894.4 (as may be amended  
46 from time to time), the franchise holder shall provide the municipality  
47 with capacity in its cable system to allow public, educational, and  
48 governmental (PEG) access channels for noncommercial programming. For  
49 the purposes of this section, PEG channels shall be defined as analog  
50 channels of six megahertz bandwidth or the same as any other channel on  
51 the basic tier, whichever is greater. In addition to the requirements  
52 set forth in this section, the commission may issue additional rules or  
53 guidelines regarding PEG access channels. The holder shall provide the  
54 same ancillary services to the PEG channels and entities as the incum-  
55 bent provider.

2. The franchise holder shall designate a sufficient amount of capacity on its cable system to allow the provision of a comparable number of PEG channels or hours of programming that the incumbent cable operator has activated and provided within the municipality under the terms of its franchise agreement as of the effective date of this article. If a municipality did not have PEG access channels as of that date, the cable operator shall furnish to the municipality upon request up to three PEG channels for a municipality with a population of at least fifty thousand and up to two PEG channels for a municipality with a population of less than fifty thousand. For the purposes of this section, a PEG channel is deemed activated if it is being utilized for PEG programming within the municipality for at least eight hours per day and if such programming is not broadcast more than once in every eight hours. The holder shall have twelve months from the date the municipality requests such PEG channels to designate the capacity; provided, however, that the twelve-month period shall be tolled by any period during which the designation or provision of PEG channel capacity is technically infeasible, including any failure or delay of the incumbent cable operator to make adequate interconnection available, as required by this section. In cities with a population of one million or more persons, if a system has total activated bandwidth in excess of eight hundred sixty-two megahertz then at least two additional PEG channels shall be set aside by the holder, including one for public access.

3. The franchise holder may submit to the commission an application to cease providing any PEG channel provided pursuant to this section that is not utilized by the municipality for at least eight hours per day, and except as provided herein, the channel may thereafter be programmed at the franchise holder's discretion. The commission may hold a hearing in the municipality to aid in making its determination whether to approve the application. The commission shall issue a decision within thirty business days of the franchisee's application. If the municipality subsequently certifies to the commission and holder a schedule for at least eight hours of daily non-repeat PEG channel programming per channel, the holder shall restore the PEG channel or channels for the use of the municipality for as long as the municipality uses the channel or channels for at least eight hours a day.

4. The content and operation of any PEG access channel provided pursuant to this section shall be the responsibility of the municipality, receiving the benefit of such channel, and the franchise holder bears only the responsibility for the transmission of such channel, subject to reasonable technological constraints. The franchise holder shall be responsible for providing the connectivity, as well as other equipment necessary, to each PEG access channel programming distribution location and for doing so without charge for up to the first two hundred feet of the holder's connecting facilities.

5. The municipality, or its designees, must ensure that all transmissions, content, or programming to be transmitted over a PEG access channel or facility by a franchise holder are provided or submitted to the cable operator in a manner or form that is capable of being accepted and transmitted by the cable operator, without requirement for additional alteration or change in the content by the cable operator, over the cable system of the cable operator. The municipality's, or its designees' provision of PEG content to the holder shall constitute authorization for the holder to carry such content including, at the holder's option, beyond the jurisdictional boundaries of the municipality.

1     6. The franchise holder and an incumbent cable operator shall use  
2 reasonable efforts to interconnect their cable systems for the purpose  
3 of providing PEG programming. Interconnection may be accomplished by  
4 direct cable, microwave link, satellite, or other reasonable method of  
5 connection. Franchise holders and incumbent cable operators shall nego-  
6 tiate in good faith and incumbent cable operators may not withhold  
7 interconnection of PEG channels. In the event a franchise holder and an  
8 incumbent cable operator cannot reach a mutually acceptable intercon-  
9 nection agreement, then the duty of the holder shall be discharged if  
10 the holder makes interconnection available to the channel originator at  
11 a point on the holder's network determined by the holder.

12     7. The PEG channels shall be for the exclusive use of the local entity  
13 or its designee to provide public, educational, and governmental chan-  
14 nels. The PEG channels shall be used only for noncommercial purposes.  
15 However, advertising, underwriting, or sponsorship recognition may be  
16 carried on the channels for the purpose of funding PEG-related activ-  
17 ities. The PEG channels shall all be carried on the basic service tier.  
18 To the extent feasible, the PEG channels shall not be separated numer-  
19 ically from other channels carried on the basic service tier and the  
20 channel numbers for the PEG channels shall be the same channel numbers  
21 used by the incumbent cable operator unless prohibited by federal law.  
22 After the initial designation of PEG channel numbers, the channel  
23 numbers shall not be changed without the agreement of the local entity  
24 unless the change is required by federal law. Each channel shall be  
25 capable of carrying a national television system committee (NTSC) tele-  
26 vision signal.

27     8. The content to be provided over the PEG channel capacity provided  
28 pursuant to this section shall be the responsibility of the local entity  
29 or its designee receiving the benefit of that capacity, and the holder  
30 of a state franchise bears only the responsibility for the transmission  
31 of that content, subject to technological restraints.

32     9. The PEG signal shall be receivable by all subscribers, whether they  
33 receive digital or analog service, or a combination thereof, without the  
34 need for any equipment other than the equipment necessary to receive the  
35 lowest cost tier of service. The PEG access capacity provided shall be  
36 of similar quality and functionality to that offered by commercial chan-  
37 nels on the lowest cost tier of service unless the signal is provided to  
38 the holder at a lower quality or with less functionality.

39     10. After January first, two thousand seventeen, and until the expira-  
40 tion of the incumbent cable operator's franchise, if the incumbent cable  
41 operator has existing unsatisfied obligations under the franchise to  
42 remit to the local entity or its designee any cash payments for the  
43 ongoing costs of public, educational, and government access channel  
44 facilities, the local entity, or its designee for the public access  
45 channels, shall divide those cash payments among all cable or video  
46 providers as provided in this section. The fee shall be the holder's pro  
47 rata per subscriber share of the cash payment required to be paid by the  
48 incumbent cable operator to the local entity or its designee community  
49 access organization for the costs of PEG channel facilities. All video  
50 service providers and the incumbent cable operator shall be subject to  
51 the same requirements for recurring payments for the support of PEG  
52 channel facilities, whether expressed as a percentage of gross revenue  
53 or as an amount per subscriber, per month, or otherwise.

54     11. A local entity shall establish a payment for the ongoing support  
55 of the cost of PEG facilities and services that would become effective  
56 subsequent to the expiration of any fee imposed by this article,

provided, however, that no such fee shall be allocated such that any community access organization is receiving anything less than what it is receiving from the cable operator on the effective date of this legislation, and provided, however, that every local entity shall be entitled to a payment of not less than two percent from the holder of a state franchise for the ongoing support of the cost of PEG facilities and services. If, on December thirty-first, two thousand sixteen, a local entity or its designee was imposing a separate fee to support PEG channel facilities that is in excess of two percent, that entity or its designee may establish a fee no greater than that separate fee, and in no event greater than three percent, to support PEG activities. If the PEG support fee imposed by a local entity or its designee is expressed in a manner other than as a percentage of gross revenues, the local entity or its designee community access organization may convert that fee to a currently equivalent percentage of gross revenues at any time. The local entity or its designee may adopt requirements for the provision of PEG-related in-kind resources by all cable and video service providers.

12. Rules and regulations adopted by the community access organization shall govern the use of any channel time on the public channels as well as the equipment, facilities and services related to the public channels.

13. The commission, through an administrative proceeding shall have the original jurisdiction to enforce any requirements under this section to resolve any dispute regarding the requirements set forth in this section. After the administrative process is exhausted, a court of competent jurisdiction shall have jurisdiction to enforce any requirement under this section or resolve any dispute regarding the requirements set forth in this section, and no cable operator may be barred from the provision of cable service or be required to terminate cable service as a result of such dispute or enforcement action.

§ 241. Cable operator's community commitment. 1. Cable operators shall install and retain or provide, without charge, one service outlet activated for basic service to any and all fire stations, public schools, police stations, public libraries and other such buildings used for municipal purposes.

2. Cable operators shall provide internet service, without charge, through one service outlet activated for basic service to any and all fire stations, public schools, police stations, public libraries, and other such buildings used for municipal purposes.

§ 242. Consumer protection rules. 1. Every cable operator shall provide safe, adequate and reliable service in accordance with applicable laws, regulations, and franchise requirements. Cable operators with a statewide franchise are subject to the requirements under sections two hundred twenty-four and two hundred twenty-four-a of this chapter and any other customer service standards pertaining to the provision of video service established by federal law or regulation or adopted by subsequent enactment of the legislature. All customer service and consumer protection standards under this section shall be interpreted and applied to accommodate newer or different technologies while meeting or exceeding the goals of these standards.

2. In addition, cable operators shall:

(a) clearly and conspicuously disclose to users, in plain language, accurate information concerning any terms, conditions, or limitations on the broadband network service they offer, the speeds of the download and uploading speeds of the provider's internet service;

1 (b) provide their broadband network services on reasonable and nondis-  
2 crimINARY terms and conditions such that any person can offer or  
3 provide content, applications, or services to or over the network in a  
4 manner that is at least equal to the manner in which the provider or its  
5 affiliates offer content, applications, and services, free of any  
6 surcharge on the basis of the content, application, or service;

7 (c) interconnect their facilities with the facilities of other provid-  
8 ers of broadband network services on reasonable and nondiscriminatory  
9 terms or conditions.

10 § 243. Neutral internet and broadband networks. 1. Cable operators  
11 shall not:

12 (a) block, impair, discriminate against, or interfere with the ability  
13 of any person to use internet based traffic based on the source, desti-  
14 nation, or ownership of the internet traffic that carries video service,  
15 in a manner that degrades or otherwise negatively impacts the access to,  
16 or the quality of services received by an end user;

17 (b) engage in any exclusive or preferential dealings regarding the  
18 carriage and treatment of internet traffic, including, but not limited  
19 to, traffic that carries video programming or video service, with an  
20 affiliate or third party provider of internet applications, services,  
21 content, or video services;

22 (c) impose an additional charge to avoid any conduct that is prohibit-  
23 ed by this section;

24 (d) prohibit a user from attaching or using a device on the provider's  
25 internet or broadband network that does not physically damage or mate-  
26 rially degrade other users' utilization of the network.

27 2. Nothing in this section shall be construed to prevent a broadband  
28 or internet network provider from taking reasonable and nondiscriminato-  
29 ry measures:

30 (a) to manage the functioning of its network to protect the security  
31 and to offer parental controls and other consumer protection measures of  
32 such network and broadband or internet network services if such manage-  
33 ment does not result in discrimination among the content, applications,  
34 or services on the network;

35 (b) to give priority to emergency communications; or

36 (c) to prevent a violation of a federal or state law, or to comply  
37 with an order of a court to enforce such law, or such other action  
38 against network threats as may be authorized in section two hundred  
39 fifteen of this chapter.

40 § 244. Deployment requirements for statewide cable franchise. 1. As  
41 part of any franchise issued by the commission in this article, a cable  
42 operator shall be required to:

43 (a) Begin providing cable service on a commercial basis, within three  
44 years of issuance of the system-wide franchise, in:

45 (i) each county seat that is within the CATV company's service area;  
46 and

47 (ii) each municipality within the CATV company's service area that has  
48 a population density greater than seventy-one hundred eleven persons per  
49 square mile of land area, as determined by the most recent federal  
50 decennial census, provided, however, that if such county seats are not  
51 located within or contiguous to such municipalities, each such county  
52 seat shall be interconnected to the nearest municipality with a popu-  
53 lation density greater than persons per square mile of land area by the  
54 cable operator; and



1 (b) Make cable television service available throughout the residential  
2 areas on a commercial basis, before the beginning of the sixth year  
3 after the issuance of the system-wide franchise, in:

4 (i) each municipality within the state that has a population density  
5 greater than five hundred one persons per square mile of land area, as  
6 determined by the most recent federal decennial census; and

7 (ii) throughout the residential areas of any municipalities served by  
8 central offices located within a county seat within the franchisee's  
9 service area, subject to the cable operator's line extension policy;  
10 provided, however, a CATV company may apply to the commission for an  
11 exemption from this requirement if the board finds, after conducting a  
12 hearing with full notice and opportunity to be heard, that the areas in  
13 question are areas in which the CATV company is unable to access the  
14 public rights-of-way under reasonable terms and conditions.

15 2. The requirements of subdivision one of this section shall only  
16 apply to cable operators that on the date of the issuance of the  
17 system-wide franchise provide more than forty percent of the local  
18 exchange telephone service market in this state; and to cable operators  
19 that on the date of the issuance of the system-wide franchise provide  
20 two hundred fifty thousand or more local exchange telephone lines in  
21 this state;

22 3. Incumbent cable companies that become statewide franchise holders  
23 shall not reduce the number or percentage of households served; will  
24 build out to all residential households subject to the operator's line  
25 extension policy within three years; and will upgrade their facilities  
26 to the entire service area within three years of the date the cable  
27 operator upgrades any part of its facilities.

28 4. Within three years of the issuance of the system-wide franchise all  
29 other statewide franchise holders shall fully complete a system capable  
30 of providing cable service to all households within the cable operator's  
31 service area, subject to the cable operator's line extension policy.

32 § 245. Discrimination in the provisioning of service prohibited. 1.  
33 The franchise holder shall become capable of providing cable service to  
34 all households within the designated service area footprint. A cable  
35 operator that has been granted a statewide franchise under this article  
36 shall not deny access to cable service to any group of potential resi-  
37 dential subscribers because of the income or race of the residents in  
38 the local area in which such group resides. A franchisee must submit to  
39 the commission a deployment schedule, setting forth the municipalities  
40 to be served, the date service shall begin in each proposed munici-  
41 pality, and a date certain by which each community will be able to  
42 receive cable service. The commission will ensure that the build-out  
43 process is not discriminatory based on an area's class or race. If  
44 deployment of cable services under a statewide franchise is scheduled  
45 for deployment in a given area, the cable operator must offer service to  
46 all residents within the geographic area or the commission may terminate  
47 the franchise pursuant to section two hundred thirty-six of this arti-  
48 cle.

49 2. Notwithstanding any other provision of law, the franchise holder  
50 shall comply with customer service requirements set forth in article  
51 eleven of this chapter, at 47 C.F.R. § 76.309(c) and any other customer  
52 service standards pertaining to the provision of video service estab-  
53 lished by federal law or regulation or by subsequent enactment of the  
54 legislature. All customer service and consumer protection standards  
55 under this section shall be interpreted and applied to accommodate newer

1 or different technologies while meeting or exceeding the goals of these  
2 standards.

3 3. If the commission determines that a cable operator has denied  
4 access of cable service to a group of potential residential subscribers  
5 because of the income levels of the residents of the local area in which  
6 such group resides or has failed to meet the requirements of this  
7 section, the commission is authorized to, after conducting a hearing  
8 with full notice and opportunity to be heard, impose monetary penalties  
9 of not less than fifty thousand dollars, nor more than one hundred thou-  
10 sand dollars per municipality, not to exceed a total of three million  
11 six hundred fifty thousand dollars per year for all violations. A muni-  
12 cipality in which the provider offers cable service shall be an appro-  
13 priate party in any such proceeding.

14 § 246. Enforcement. The exclusive remedy for enforcing the provisions  
15 of this article, notwithstanding specific sections of this article,  
16 shall be an action in a court of competent jurisdiction brought by  
17 either the municipality, the attorney general on behalf of the commis-  
18 sion or other injured party. At least sixty days before bringing such an  
19 action, the municipality or attorney general shall serve the franchise  
20 holder with a notice setting out the alleged violation and stating that  
21 an action may be brought unless the holder corrects the alleged  
22 violation or enters into a binding agreement to correct the violation  
23 within the sixty-day notice period. The notice shall contain a suffi-  
24 ciently detailed description of the alleged violation to enable the  
25 franchise holder to make a specific response.

26 § 2. This act shall take effect immediately.