STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on December 11, 2014

COMMISSIONERS PRESENT:

Audrey Zibelman, Chair
Patricia L. Acampora
Garry A. Brown
Gregg C. Sayre
Diane X. Burman

CASE 14-V-0226 - Petition of Verizon New York Inc. for a Certificate of Confirmation for its Franchise with the Town/Village of Harrison, Westchester County.

ORDER AND CERTIFICATE OF CONFIRMATION
APPROVING FRANCHISE SUBJECT TO CONDITIONS

(Issued and Effective December 17, 2014)

BY THE COMMISSION:

INTRODUCTION

On June 24, 2014, Verizon New York Inc. (Verizon or the Company) filed a petition, pursuant to Public Service Law (PSL) §221, requesting issuance of a Certificate of Confirmation for a cable television franchise awarded to the Company by the Town/Village of Harrison, Westchester County (Harrison or Town/Village). Harrison authorized Verizon to provide cable service to a portion (i.e., roughly 80%) of the Town/Village by a Resolution approved by the Town/Village Board on June 19, 2014, after a duly noticed public hearing held on the same date. The term of the franchise is six years, beginning on the effective date of this Order.

No franchise is effective until the Commission issues a Certificate of Confirmation (PSL §221(1)). The Commission is required to issue a certificate, unless it finds specific violations of law, Commission regulations, or the public interest (PSL §221(3)); and, it may approve the application contingent upon compliance with standards, terms, or conditions that are not met by the proposed franchise (PSL §221(4)). Commission regulations set forth the requirements for franchising procedures and contents (16 NYCRR Parts 894 and 895) and for an application for a Certificate of Confirmation (16 NYCRR §897.2).

After reviewing this petition in the context of applicable statutory and regulatory standards, we approve the issuance of a Certificate of Confirmation for Verizon's franchise with certain conditions discussed below. We agree with Harrison that consumers benefit from competitive entry and that the partial build-out to the vast majority of the Town/Village promotes the public interest and should be approved. We also find however that a fairer allocation of the respective franchise financial obligations between the incumbent provider, Cablevision Systems Corporation (Cablevision), and Verizon can and should be fashioned to promote a level playing field. The Commission, therefore, approves Verizon's Certificate of Confirmation subject to, among other things, the condition that Harrison addresses and resolves our level playing field concerns consistent with this Order.

PUBLIC NOTICE AND COMMENTS

On June 26, 2014, public notice of Verizon's petition for a Certificate of Confirmation was published in a weekly newspaper of general circulation in Harrison. The notice stated that interested parties are provided an opportunity to file comments with the Commission within ten days of the date of the notice's publication (16 NYCRR §897.2(g)). Comments in opposition were accepted for filing by the Secretary on behalf of Cablevision on July 10, 2014. Verizon filed a response on July 23, 2014, followed by additional responses from Harrison, Cablevision and Verizon on July 30, 2014, August 12, 2014 and August 25, 2014, respectively. In addition, Cablevision and Harrison filed supplemental comments on September 22, 2014 and October 13, 2014, respectively. The Commission also received one comment from the public at-large expressing support for the approval of Verizon's petition.

Cablevision argues that Verizon's franchise with Harrison violates the Commission's Level Playing Field (LPF) (16 NYCRR §895.3) and Public, Educational and Governmental (PEG) competitive neutrality (16 NYCRR §895.1(f)) rules when compared to its franchise requirements. According to Cablevision, unlike its franchise with Harrison, Verizon's franchise frees it of the cost of constructing and maintaining facilities in a portion of the Town/Village,[1] allows for lower PEG commitments, fails to match Cablevision's free service obligations and contains other disparities associated with rights-of-way and local programming obligations.

Verizon argues that the legality of its franchise is well-established and that the relevant LPF comparison should be limited to the overlapping area in which each provider serves. Moreover, it states that the PEG obligations of a competing franchise agreement should be compared on a going-forward basis and expenditures made by an incumbent before a competitor's entry into the market should be considered "sunk" costs. In any event, Verizon argues that its PEG obligations exceed Cablevision's when compared on a per-subscriber basis.

[1] Cablevision states that Verizon excludes areas in Harrison that require underground rather than aerial facilities because provisioning service in underground areas is more costly.

Finally, while acknowledging that Cablevision must provide free "Optimum Value" cable television service to certain municipal locations, certain local sports programming, and studio, facilities and equipment, Verizon submits that those burdens are either overstated or unsupported by appropriate cost data. In any event, Verizon believes that Cablevision's "claw-back" provisions remedy any actual deviation from the LPF and/or PEG competitive neutrality requirements.

Harrison submits that it is not reasonable to expect new entrants to agree to identical terms as the incumbent and that Cablevision has not demonstrated a material difference that would impede its ability to compete under the LPF rule. On build-out, Harrison suggests that the modest difference between the two cable providers is not a disadvantage given Cablevision's monopoly of the remainder. On free service, Harrison states that the cost disparity Cablevision asserts has not been substantiated because Cablevision relies on retail pricing. On right-of-way and local programming, Harrison asserts that there is no material difference in right-of-way obligations and Cablevision's cablecast obligations for local sports programming is a red-herring because it actually benefits from this program carriage. Finally, on PEG, Harrison argues that it has followed the Commission's guidance by entering into a competitively neutral arrangement that utilizes an upfront payment and a per-subscriber metric that "takes into account Verizon's business plan and need to develop a customer base and revenue stream." Moreover, Harrison notes that it offered to amend the Cablevision agreement to provide the same per-subscriber metric going forward, but Cablevision declined. Therefore, Harrison believes that the Commission should clarify that "if a community offers a per-subscriber PEG fee to Verizon, the only modification to which Cablevision will be entitled—if any—is the same per-subscriber PEG fee."

Cablevision argues that Harrison and Verizon's attempt to introduce "new entrant" status to excuse matching franchise obligations is misplaced because Verizon is not the typical new entrant given its overall size. Cablevision also argues that its on-going costs for existing plant should not be considered sunk, that Verizon's exclusion of parts of Harrison is a material disparity, and Harrison made no genuine attempt to make Verizon match Cablevision's other franchise obligations on free service and local programming. Moreover, Cablevision states that Harrison's offer of the same PEG per-subscriber metric is contrary to its franchise agreement that recognizes equality and recourse to the PEG-support committed to by Verizon.

Verizon contends that Harrison's adoption of a per-subscriber metric is appropriate given that the Commission has previously stated that a per-subscriber metric is one way of satisfying our rules. Verizon also claims that on a per-subscriber basis, without regard to "sunk" costs, its financial burdens are greater than Cablevision's PEG commitments.

Cablevision counters that Verizon's per-subscriber analysis is based on faulty assumptions and is inconsistent with the Commission's order in the City of Glen Cove which appropriately evaluated the franchisees' respective PEG support obligations side-by-side on an aggregate, annualized basis over the life of the respective franchises.[2]

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[2] Case 14-V-0089, Verizon New York Inc. - Certificate of Confirmation for its Franchise with the City of Glen Cove, Order and Certificate of Confirmation Approving Franchise Subject to Condition (issued August 14, 2014) (Glen Cove Order).

Finally, Harrison submits that its PEG arrangement with Verizon is equitable because a per-subscriber per-month metric allows new entrants to compete and, over time, achieve equilibrium with Cablevision's PEG obligations which are substantially lower than Verizon's. Harrison also asserts that the free service requirement discrepancies are not material based on cost and that the build-out discrepancies do not create a competitive disadvantage because Cablevision's cost to serve that very small portion of its service area is less than the revenues being generated in that monopoly area.

STATE ENVIRONMENTAL QUALITY REVIEW ACT

Under the State Environmental Quality Review Act (SEQRA), Article 8 of the Environmental Conservation Law, and its implementing regulations, (6 NYCRR Part 617 and 16 NYCRR Part 7), all state agencies must determine whether the actions they are requested to approve may have a significant impact on the environment. Verizon prepared the Part 1 of the long environmental assessment form (EAF) and submitted it with its petition.

The proposed action is the confirmation of a cable franchise awarded to Verizon by Harrison, which authorizes the construction of facilities to be used for cable television service and the provision of broadcast programming. The offering of broadcast programming may result in an increase in requests for extensions of Verizon's cable system. Other than our approval of the action proposed here, no additional state or local permits or approvals are required, and so no coordinated review under SEQRA is required. Department of Public Service Staff (Staff) has completed Part 2 and Part 3 of the long form EAF.

We will assume Lead Agency Status under SEQRA and conduct an environmental assessment for this "unlisted action." We have assessed the environmental impact of our action on the entire franchise area. Verizon's review of the cultural resources information (attached to the EAF) on the Office of Parks, Recreation and Historic Preservation website indicates that within Harrison, there is one listed historic district, five listed structures and 19 structures eligible for listing on the state or national Registers of Historic Places. The Town/Village is not in an Agricultural District as Verizon correctly identifies, however the franchise area is substantially contiguous to Critical Environmental Areas (CEAs). Critical Environmental Areas are defined by the New York State Department of Environmental Conservation (DEC) as areas that must have an exceptional or unique character with respect to one or more or the following: a benefit or threat to human health; a natural setting (e.g., fish and wildlife habitat, forest, open space and areas with important aesthetic or scenic quality); agricultural, social, cultural, historic, archaeological, recreational or education values; or an inherent ecological, geological or hydrological sensitivity to change that may be adversely affected by any change. Local municipalities can also designate CEAs. According to the DEC EAF Mapper Summary, the following are CEAs in Harrison: County and State Park Lands, Mamaroneck Reservoir, watershed properties and floodplains. DEC states that the potential impact of any Type I or Unlisted Action in the environmental characteristics of the CEA is a relevant area of environmental concern and must be evaluated in the determination of significance prepared pursuant to Section 617.7 of SEQR.

Harrison's southwestern border is coterminous with the Town of Mamaroneck that has an approved Local Waterfront Revitalization Program (LWRP) jointly with the Village of Larchmont. Article 42 of the NYS Executive Law and its implementing regulations (19 NYCRR Part 600) requires that State agencies considering an approval that may affect land and water uses and natural resources of LWRP areas grant such approval in a manner that is consistent, to the maximum extent practicable, with the approved LWRP. We find, therefore, that the activities proposed by Verizon in Harrison would not adversely affect the policies and purposes of the Mamaroneck/Larchmont LWRP.

Verizon states that the fiber optic cable has been installed to 100% of the current households in the franchise area in Harrison. The offering of broadcast programming may result in an increase for drop wires and limited extensions of the already upgraded fiber-to-the-premises (FTTP) network. In the event that future extensions of the cable system require construction in or near sensitive environmental areas including CEA, wetlands, or structures or districts on the Historic Registers, Verizon shall consult with the appropriate local, state or federal agencies, including the DEC, the Office of Parks, Recreation and Historic Preservation and Westchester County. We encourage Verizon, wherever practicable to reduce the potential for visual intrusion by shifting the location of cable coils, splice boxes and other associated overhead equipment away from locations that places this equipment proximate to historic structures and sites.

After a review of the EAF and the petition, the Commission, as lead agency, concludes that, based upon the criteria for determining significance listed in 6 NYCRR § 617.7(c), the confirmation of a cable franchise that authorizes construction of facilities to be used for cable television service and broadcast programming will not result in significant adverse environmental impacts and adopt a negative declaration pursuant to SEQRA. A Notice of Determination of Significance Negative Declaration for this unlisted action is attached. The completed EAF will be retained in our files.

DISCUSSION

Under PSL §221(3), the Commission shall issue a Certificate of Confirmation unless it finds, among other things, that the proposed franchise does not conform to the standards established in its regulations. Those regulations include: (1) a full description of the system proposed for construction, which shall include the specific geographical areas to be wired, and the location of all trunk and feeder plant, including anticipated stages of completion of construction (16 NYCRR §895.1(b)); (2) a LPF standard that states that no municipality may award a franchise that contains economic or regulatory burdens, which, when taken as a whole, are greater or lesser than those placed on a competing provider in the same franchise area (16 NYCRR §895.3); and, (3) a PEG competitive neutrality rule that requires that PEG access shall be competitively neutral when compared to a competing provider's obligations (16 NYCRR §895.1(f)).

Although the Commission's goal is to promote competition as widely as possible, we determine here that Verizon's plan to offer cable service to most of the residents of Harrison and provide a competitive alternative to the Town/Village's conventional cable and satellite providers is good for consumers and serves the public interest. However, in reviewing the respective financial obligations imposed by the Cablevision and Verizon franchises, the LPF concerns raised by Cablevision must be addressed. Accordingly, a Certificate of

Confirmation is issued to Verizon to provide cable television service in Harrison subject to the conditions discussed below to address the Commission's LPF and other concerns.

As discussed in the Commission's Glen Cove Order, there is no statutory and regulatory requirements prohibiting Harrison from granting a geographically-limited franchise that coincides with Verizon's current FTTP deployment (See generally, PSL §212(3); General City Law §20(10); Town Law §64(7)) and no provision in the Commission's regulations impose an absolute obligation upon a municipality to grant franchises only for service to its entire territory. Accordingly, a municipality is within its rights in awarding a geographically-limited franchise under certain conditions.[3] However, if a geographically–limited franchise creates LPF issues, then the Commission's LPF rule will be invoked and approval conditioned upon, among other things, additional commitments.[4]

Verizon argues that the Commission's LPF rule should be applied only to the overlapping service areas of the two competing providers. Here, as in the Glen Cove Order, we

[3] Historically, the Commission approved franchises that covered the entire municipality. More recently, with the advent of competition, it has approved geographically-limited franchises to competing providers. See e.g., Case 09-V-0585, Town of Cicero, Order and Certificate of Confirmation (issued September 18, 2009) (wherein build-out was limited to Verizon's telephone footprint). The Commission also previously granted geographically-limited build-outs of only Verizon's FTTP footprint in two cases. See, Glen Cove Order, Supra; Case 13-V-0523, Village of Camillus, Order and Certificate of Confirmation (issued January 17, 2014).

[4] Our discussion does not pertain to circumstances where there is a concern of redlining since there is no suggestion here that type of inappropriate activity is occurring.

disagree with such a narrow interpretation. The LPF rule explicitly requires a comparison of the relative economic and regulatory burdens of each franchise, which, when taken as a whole, are greater or lesser than those burdens placed upon another cable television provider operating in the same franchise area. Cablevision claims that, among other things, Verizon's franchise violates the LPF rule because it is required to serve the entire municipality while Verizon is only required to serve a portion of the Town/Village. Verizon's narrowly tailored interpretation of our LPF rule could allow cable operators to provide service to only the most attractive consumers and ignore more difficult to serve areas or areas with lower average incomes. This result is at odds with the Commission's LPF rule.

Our application of the LPF rule begins with the premise that, in general, competitive entry is good for consumers. Competitive entry to 100% of each municipality is the goal. The Commission recognizes that a new entrant to a particular video market will need to acquire customers from the incumbent and faces business risks not experienced by the incumbent.[5] The Commission's application of the LPF rule balances the goal of providing choice to all consumers through complete market entry with the benefits of partial entry providing some level of market entry. At the same time, the Commission acknowledges that at some level partial entry,

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[5] See, MB Docket No. 12-203, In the Matter of the Status of Competition in the Market for the Delivery of Video Programming, Fifteenth Report (issued July 19, 2013), ¶133 (noting that "because a large part of all MVPD video delivery systems represents fixed cost … higher level of video penetration … typically translate into lower costs per subscriber and increased profit). That report at ¶134 shows MVPD video penetration as of June 2012 of 58% for Cablevision and 26.5% for Verizon.

because of its potential deleterious economic impact on incumbents with more extensive obligations, has the risk of damaging rather than enhancing competition. Any inquiry of course must be fact specific based on the relative economic strengths of the incumbent and new entrant as well as the stated rationale for such differing treatment.

In Harrison, it appears that the number of remaining customers is relatively small given the remaining limited area that is not identified for Verizon's build-out. But it also appears that the unserved area is primarily underground which is more costly to serve. As indicated in the Commission's Glen Cove Order, the grant of the right to serve only a portion of a municipality could have consequences because Verizon will be encouraged to continue its pursuit to exclude portions of other municipalities with video where it has only deployed limited FTTP network build-out. In applying the LPF rule the Commission considers the players involved and notes that they are both large, strong competitors and there is no evidence of discrimination or redlining. Verizon appears to be making a business decision to assess its investment risk profile based on FIOS investments it has made thus far.

Cablevision's current franchise began in April 2010 and has a ten-year term which provides for PEG payments of $90,000 in the first year and eight additional payments of $45,000 or a total of $450,000. Verizon's franchise would extend for six years from the date of its approval and provides for PEG payments of a $1.50 per-subscriber per-month in years one and two; $1.00 per-subscriber per-month in year three, and $0.84 per-subscriber per-month in years four through six. The per-subscriber amount, however, is subject to at least a minimum payment of $22,500 per year on April 1 as long as the "Franchisee is one of two cable service providers in the Franchise Area." Therefore, Verizon's minimum total PEG grant payment over the six years of the franchise would be $135,000. In addition, Cablevision provides its "Optimum Value"[6] service to certain municipal locations wherein Verizon is only required to provide its basic service tier; the aggregate retail cost disparity is roughly $191,000.[7] Importantly Cablevision's "claw back" rights provide it with the opportunity to seek to reduce its PEG obligation if it determines it is economically necessary.[8]

In this case, as in Glen Cove, disparate build-out requirements exist which enable Verizon to avoid serving the most difficult and expensive portions of the Town/Village. Therefore, the Commission will examine financial obligations imposed by the respective franchises.[9] In reviewing those relative financial burdens, the Commission will assess

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6 See, Cablevision franchise, §3.3.

7 Harrison and Verizon argue that the free service cost disparity claimed by Cablevision is unsubstantiated because Cablevision relies on retail pricing which does not reflect its true cost. We note, however, that Cablevision's free service obligations under its franchise do represent opportunity cost as foregone revenues and thus it is reasonable to consider this financial disparity on that basis.

8 See, Cablevision franchise, §5.3.2.

9 Harrison also argues that Cablevision's free service cost and certain PEG commitments are "sunk" and therefore already recovered. In Case 06-V-0875, Village of Lynbrook, Order and Certificate of Confirmation (issued September 21, 2006), the Commission focused on the relative future cost differential, relating to PEG and not the sunk costs incurred in the past. The facts presented here, however, involve disparate build-out requirements, up-front cash payments, and substantially overlapping franchise lengths. These factors lead us to apply annualized payments over the terms of the respective franchises.

annualized payments, PEG and free service commitments,[10] over the term of the respective franchises. As in the Glen Cove Order, these payment obligations should be roughly equivalent to account for these disparate build-out requirements. Here, Verizon's annualized financial payments (both its PEG and free service obligations) based on the agreed to PEG per-subscriber per-month metric, assuming 10% per year penetration level up to 30%, is $30,989. Cablevision's annualized financial payment on the other hand is approximately $66,604.[11] Accordingly, we will approve Verizon's franchise with Harrison subject to a modification that produces annualized financial payments of roughly $48,796 (i.e., $106,844 more than the proposed franchise).

The Commission also expects that Harrison will work with Cablevision to modify its financial payments or other obligations to resolve the Commission's concerns over LPF/competitive neutrality for a comparable overall amount for the remaining term of Cablevision's franchise. If this does not occur we invite the parties to request further assistance. This is what was intended by the LPF rule which states that "no *municipality* may award a franchise which contains economic or regulatory burdens which when taken as a whole are greater or lesser than those placed on a competing provider in the same

[10] Regarding Cablevision's other identified disparities we find that for use of public rights-of-way and the provision of local programming it has not identified any material burden. As for the provision of studio equipment and facilities, Harrison states that Cablevision has already closed that studio (in violation of its franchise agreement), although we note that the obligation to provide the studio would have been in effect for only two years following approval of a Verizon franchise in Harrison.

[11] See, Appendix 1, Financial Requirements.

franchise area" (emphasis added) (16 NYCRR §895.3). This result allows the Verizon franchise to go forward with its pro competitive benefits while recognizing that the absence of full build-out confers competitive advantages on Verizon.

Harrison and Verizon argue that a PEG per-subscriber per-month metric is reasonable and no matter what year Verizon obtains subscriber equilibrium, without regard to sunk costs, that methodology provides financial burdens on a per-subscriber per-month basis greater than Cablevision's. We note that while use of a per-subscriber per-month metric is not precluded to determine PEG commitments, in this case, such methodology does not alleviate the LPF concerns raised here and in our Glen Cove Order. For example, using an assumed subscriber penetration level of 10% per year for Verizon fails to achieve equal annualized payments to address the disparate build-out requirements. Under Verizon's franchise, the Company would be required to pay the minimum PEG payment of $22,500 per year compared to Cablevision's forward looking obligation of $45,000 per year. As indicated, the overall forward-looking annualized PEG obligations favor Verizon. This is inconsistent with the Commission's determination in the Glen Cove Order, even without consideration of the incumbent's upfront costs which are substantial.

Finally, in cases where the Commission has previously granted geographically-limited franchises, the service area was clearly delineated or subsequently required as a condition of our approval.[12] Verizon's agreement with Harrison loosely defines the franchise area as: "those premises within the jurisdictional area of the LFA, or within such additional areas

[12] See e.g., Case 07-V-0890, Town of Islip Order and Certificate of Confirmation (issued August 22, 2007), Ordering Clause 3, p. 5.

as may be annexed or acquired, that Franchisee shall have passed with its FTTP Network facilities, as generally illustrated in Exhibit A," and provides no further description of where FTTP facilities actually exist. This language falls short of the Commission's minimum franchise requirement under 16 NYCRR § 895.1(b) and, therefore, approval of the petition is subject to Verizon providing a more comprehensive "system description" as a condition of the Commission's approval. A full description will assist residents of Harrison in knowing when and where service is available.

Verizon's franchise may also omit certain other required provisions or contain provisions that may conflict with statutory and regulatory requirements. This Order does not identify and describe each specific omission and conflict because the principles and standards established in the law and rules apply to cable franchises, whether or not specifically identified in our orders, and a franchise agreement may not overrule, modify, or amend these minimum requirements.

Therefore, issuance of a Certificate of Confirmation for the franchise is conditioned upon full compliance at a minimum with these requirements, whether or not the provisions in this franchise agreement specifically state or are in conflict with these requirements. Any franchise provision required in the Commission's rules that has been omitted from the franchise agreement is hereby added to it and incorporated in the franchise agreement by reference; and, any federal and state law, rule, regulation and order, as amended, shall control the interpretation of and performance under this franchise agreement to the extent that any franchise provision does not meet the requirements in the Commission's rules or conflicts with or is inconsistent with federal and state laws, rules, regulations and orders.

Verizon’s franchise agreement may also contain additional provisions that are not required by the Commission’s rules. Our approval of these provisions is granted to the extent that they pertain to the provision of cable service and are, and remain, consistent with PSL Article 11, our regulations, policies, and orders, as well as applicable federal statutes and regulations. In the event of an ambiguity in any such provision or among separate provisions, the provision or provisions will be construed in the manner most favorable to the franchisor.

The Commission orders:

1. The petition of Verizon New York Inc. for approval of a Certificate of Confirmation of the franchise to provide cable television service for the Town/Village of Harrison, Westchester County, is approved subject to the conditions discussed in the body of this order. The term of the franchise is six years, beginning on the date that Verizon files a final version of the franchise that conforms to this Order.

2. This Certificate and Order does not in any way confer rights or privileges other than those granted in the underlying franchise; and, the certificate holder remains subject to the obligations imposed by Public Service Law Article 11, the underlying franchise and all applicable rules, regulations and orders of this Commission.

3. Verizon New York Inc. shall file a description of the system proposed for construction consistent with 16 NYCRR §895.1(b) of our rules with the Town/Village of Harrison, Westchester County and the Commission within sixty (60) days of the issuance of this order.

4. This proceeding is closed pending compliance with Ordering Clause 3.

By the Commission,

(SIGNED) KATHLEEN H. BURGESS
Secretary

Town/Village of Harrison Cable Television Franchisee Financial Requirements

Cablevision Franchise Obligations

Cablevision Market Share	Franchise Effective Date Anniversary	Average Number of Cablevision Customers During Year	Municipal and School Service	PEG Payment Due Date	PEG Upfront	PEG Ongoing	Total
100%	4/20/2011	7,732	$21,603.60	6/20/2010	$90,000.00		$111,603.60
100%	4/20/2012	7,774	$21,603.60				$21,603.60
100%	4/20/2013	7,815	$21,603.60	5/21/2012		$45,000.00	$66,603.60
100%	4/20/2014	7,857	$21,603.60	5/21/2013		$45,000.00	$66,603.60
96%	4/20/2015	7,746	$21,603.60	5/21/2014		$45,000.00	$66,603.60
86%	4/20/2016	7,234	$21,603.60	5/21/2015		$45,000.00	$66,603.60
76%	4/20/2017	6,473	$21,603.60	5/21/2016		$45,000.00	$66,603.60
70%	4/20/2018	5,861	$21,603.60	5/21/2017		$45,000.00	$66,603.60
70%	4/20/2019	5,647	$21,603.60	5/21/2018		$45,000.00	$66,603.60
70%	4/20/2020	5,676	$21,603.60	5/21/2019		$45,000.00	$66,603.60
		Total	$216,036.00		$90,000.00	$360,000.00	$666,036.00
Average Franchise Financial Obligations per year							$66,603.60

Verizon Franchise Obligations

Year Ending	Municipal and School Service	PEG Payment Due Date	PEG Minimum	PEG Per Customer Per Month	PEG Ongoing	Total
		1/14/2015	$22,500.00		$22,500.00	$22,500.00
		6/14/2015	$22,500.00	$ 1.50	$22,500.00	$22,500.00
11/30/2015	$4,080.00					$4,080.00
		6/14/2016	$22,500.00	$ 1.50	$22,500.00	$22,500.00
11/30/2016	$4,080.00					$4,080.00
		6/14/2017	$22,500.00	$ 1.00	$22,500.00	$22,500.00
11/30/2017	$4,080.00					$4,080.00
		6/14/2018	$22,500.00	$ 0.84	$22,500.00	$22,500.00
11/30/2018	$4,080.00					$4,080.00
		6/14/2019	$22,500.00	$ 0.84	$24,412.74	$24,412.74
11/30/2019	$4,080.00					$4,080.00
		6/14/2020	$22,500.00	$ 0.84	$24,539.64	$24,539.64
11/30/2020	$4,080.00					$4,080.00
	$24,480.00				$161,452.37	$185,932.37
						$30,988.73

Combined Franchise Financial Obligations per year: $97,592.33

Each Entity Should Pay Approximately: $48,796.16

Notes
Time value of money has not been considered.
A ten percent shift in market share occurs throughout the first three years of Verizon's franchise.
Total market share after three years is assumed to be seventy percent Cablevision, thirty percent Verizon.

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 14-V-0226 - Petition of Verizon New York Inc. for a Certificate of Confirmation for its Franchise with the Town/Village of Harrison, Westchester County.

NOTICE OF DETERMINATION OF SIGNIFICANCE
NEGATIVE DECLARATION

NOTICE is hereby given that an Environmental Impact Statement will not be prepared in connection with the approval by the Public Service Commission of the petition of Verizon New York Inc. for a Certificate of Confirmation for its cable television franchise with the Town/Village of Harrison, Westchester County. This is based upon our determination, in accordance with Environmental Conservation Law Article 8, that such action will not have a significant adverse effect on the environment. The approval of this action is an unlisted action, as defined in 6 NYCRR §617.7(c).

Based upon our review of the record, the confirmation of the exercise of the franchise granted to Verizon New York Inc. for a Certificate of Confirmation for its cable television franchise with the Town/Village to provide cable service will not result in significant adverse environmental impacts.

The address of the Public Service Commission, the lead agency for the purposes of the Environmental Quality Review of this action, is Three Empire State Plaza, Albany, New York 12223-1350. Questions may be directed to Richard H. Powell at (518) 486-2885 or to that address.

KATHLEEN H. BURGESS
Secretary