ASSEMBLY, No. 4916

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 5, 2020

Sponsored by:
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District 12 (Burlington, Middlesex, Monmouth and Ocean)
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District 14 (Mercer and Middlesex)

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SYNOPSIS

Requires certain CATV companies issued system-wide franchise agreement to make CATV service available throughout its franchise area.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 11/5/2020)

AN ACT concerning certain cable television franchise agreement service obligations and amending P.L.2006, c.83.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 20 of P.L.2006, c.83 (C:48:5A-25.2) is amended to read as follows:

20. a. **[**As**]** Notwithstanding any other law, rule, order, or regulation to the contrary, as part of any system-wide franchise issued by the board pursuant to P.L.1972, c.186 (C.48:5A-1 et seq.), a CATV company shall be required to:

(1) **[**begin providing cable television service on a commercial basis, within three years of issuance of the system-wide franchise, in:

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

(b) each municipality within the CATV company's service area that has a population density greater than 7,111 persons per square mile of land area, as determined by the most recent federal decennial census prior to the enactment of P.L.2006, c.83 (C.48:5A-25.1 et al.)**]** provide cable television service on commercial basis throughout every municipality in its franchise area within five years of the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) or within five years of the issuance of the system-wide franchise, whichever date is later **[**.

The requirements of this paragraph shall only apply to CATV companies that on the date of the issuance of the system-wide franchise provide more than 40 percent of the local exchange telephone service market in this State;

(2) make cable television service available throughout the residential areas of any such municipalities within six years of the date the CATV company first provides cable television service on a commercial basis directly to multiple subscribers within such central office area, subject to the CATV company's line extension policy**]**; provided, however, that **[**such**]** the provision of cable television service shall not be required in: (a) areas where developments or buildings are subject to claimed exclusive arrangements with other CATV companies; (b) developments or buildings that the CATV company cannot access, using its standard technical solutions, under commercially reasonable terms and conditions after good faith negotiation; or (c) areas in which the CATV company is unable to access the public rights-of-way under reasonable terms and conditions. The requirements of this paragraph shall only apply to CATV companies that on the date of

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

the issuance of the system-wide franchise provide more than 40 percent of the local exchange telephone service market in this State. As used in this subsection, "central office" has the same meaning as that term is defined in 47 C.F.R. Part 36, Appendix, and "central office area" means the towns or portions of towns served by such central office;

[(3)**]** (2) provide service within the CATV company's service area where cable television service is being offered, without discrimination against any group of potential residential cable subscribers because of the income levels of the residents of the local area in which such groups reside; **[**and**]**

[(4)**]** (3) fully complete a system capable of providing cable television service to all households within the CATV company's service area where cable television service is being offered, subject to the CATV company's line extension policy and the provisions of paragraphs (1) through (3) of this subsection **[**.**]** and;

(4) The requirements of this subsection shall only apply to CATV companies that on the date of the issuance of the system-wide franchise provide more than 40 percent of the local exchange telephone service market in this State.

b. Any person affected by the requirements of subsection a. of this section may seek enforcement of **[**such**]** the requirements by initiating a proceeding with the board. As used in this section, an affected person includes a municipality within which the potential residential subscribers referred to in subsection a. of this section reside.

c. If the board determines that a CATV company has denied access to cable television service to a group of potential residential subscribers because of the income levels of the residents of the local area in which **[**such**]** that group resides or has failed to meet the requirements of paragraph (2) of subsection a. of this section, the board is authorized to, after conducting a hearing with full notice and opportunity to be heard, impose monetary penalties of not less than $50,000, nor more than $100,000 per municipality, not to exceed a total of $3,650,000 per year for all violations. A municipality in which the **[**provider**]** CATV company offers cable television service shall be an appropriate party in any such proceeding.

d. The board shall convene proceedings within 36 months after the grant of the first issued system-wide franchise to examine the effects of the entry of system-wide franchisees into the State's cable television market, and shall, within six months of convening such proceedings, report to the Legislature on the following: (1) the extent of actual deployment of cable service by each system-wide franchisee, including the income and race of persons in the areas where **[**such**]** the facilities were deployed; (2) the franchisee's effect on choice in the marketplace; and (3) the effect that

introduction of system-wide competitors has had on consumers. The study shall be transmitted to the Governor, the President of the Senate, the Speaker of the General Assembly, the Minority Leader of the Senate, the Minority Leader of the General Assembly, and the members of the Senate Economic Growth Committee and the Assembly Telecommunications and Utilities Committee, or their respective successor committees.

(cf: P.L.2006, c.83, s.20)

2. This act shall take effect immediately, but shall remain inoperative for 90 days following the date of enactment.

STATEMENT

This bill requires a cable television (CATV) company holding a system-wide franchise issued by the New Jersey Board of Public Utilities to provide CATV service throughout its franchise area within five years of this bill's effective date or within five years of the issuance of the system-wide franchise, whichever date is later.

This requirement would not apply to: 1) areas where developments or buildings are subject to claimed exclusive arrangements with other CATV companies; 2) developments or buildings that the CATV company cannot access, using its standard technical solutions, under commercially reasonable terms and conditions after good faith negotiation; or 3) areas in which the CATV company is unable to access the public rights-of-way under reasonable terms and conditions.

Current law requires a CATV company issued a system-wide franchise to provide CATV service only to certain municipalities within its franchise area. It is the sponsor's view that certain CATV companies that have been granted a system-wide franchise, pursuant to section 20 of P.L.2006, c.83, made representations that they would provide CATV service throughout their service area and that the CATV companies have not met the public's expectations concerning CATV service.