

To: Southborough CATV committee

From: Alex Neihaus

Date: November 8, 2006

Re: Verizon's response to our IAR

After discussing Verizon's October 31, 2006 response to Southborough's Issuing Authority Report with Paul Ferguson and our attorney, Peter Epstein, I wanted to give the Committee my list of what I believe the most important issues are. I've done that in the table below. There are *many* more issues than just these...I strongly urge the Committee to read the response and the proposed license to determine what additional issues we need to consider.

I believe there are matters of substantive policy that were not addressed adequately or at all the in response. The question is, why would we go to the cost and expense of producing the IAR only to receive incomplete answers? The questions we asked, the negotiating demands we put on the table deserve a direct response. I believe that is the way the process is intended to operate.

In short, unless and until Verizon responds to the questions in the IAR, *in writing and completely*, I recommend that the Committee informs the Board of Selectmen that Verizon's response was unacceptable and that the Board not consider holding a public hearing to grant a license until the Committee is satisfied that Verizon has answered our questions.

Question/Issue/Request	Committee Desired Action/Response	Verizon Response
Level playing field with Charter	Indemnification against claims from Charter	Reject premise; sec 9 of proposed license does not indemnify us for this
How many channels is the system capable of?	List of channels	860Mhz is provisioned from FTTP system for video.
Distance from street, service	Whole town, businsees and residential, 125ft from street	"Initial service area" plus an "extended service area" to be served <i>within five years</i> . VZW proposes to serve "a substantial number of residents in 24 months. No maps of the proposed areas are attached. Businesses

		<p>“may” be served. 300ft from street.</p> <p>Committee members should carefully read section 3 of the proposed license. This is a major area of disagreement: we’ve been told all along the <i>entire</i> Town (esp. Pine Hill) would be served immediately.</p>
Customer Service	Part of license	VZW proposes it as an exhibit, section D. Our attorney says this should be part of the license.
Describe subscriber network	Specific model numbers of equipment, types, etc.	VZW “will endeavor to provide additional information, if necessary, during negotiations”
Preconditions for service	Will users have to switch to fiber for voice? Be a VZW local phone subscriber to get cable?	VZW “will endeavor to provide additional information, if necessary, during negotiations”
Video standards	Define advanced capabilities, discuss digital transition (2/2009 FCC mandate)	VZW is “willing to discuss its product offerings in greater detail during negotiations”
Inspection, interconnection of PEG, number of PEG channels	Ability to monitor PEG, burden on VZW to accomplish interconnection	“Not subject to inspection”; sec 5 of proposed license proposes only to use “reasonable efforts” to interconnect; no proposed number of PEG channels
PEG grant, funding	Same as Charter: \$100K, plus \$25K annually	VZW is “willing to discuss” but no number are contained in response
Provide list of channels	List of channels	Proposed lineup is blank exhibit
Customer premises equipment	Detail connections and specify technologies used	No response...will to discuss
Performance bond, annual performance evaluation	\$50,000, annual meeting	Willing to discuss, no response to number in IAR, no commitment to hearing
Term	10 years	15 years
Internet access for Town	15mbps down/2mpbs up,	“Willing to discuss”

buildings	dynamic addresses	
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