



BOROUGH OF DUNELLEN

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Mayor's Message to Residents on Altice/Cablevision Franchise Renewal **Mayor Jason F. Cilento**

Based upon recent questions and statements, there seems to be a significant misunderstanding regarding the Borough of Dunellen's relationship with Altice/Cablevision (henceforth Altice, their current name) and the renewal of the cable franchise. This message will address the history of the franchise agreement, our efforts to reach an amicable renewal that is beneficial to our residents, and the present status of these discussions.

But before I begin, I wish to lay to rest one major misunderstanding, that the Borough has denied access to other cable companies. To the contrary, there is no "exclusivity" for Altice. The current franchise and any future franchise agreement specifically permit other cable companies to establish a presence in Dunellen. In fact, we have repeatedly made overtures to Verizon and Comcast. Neither has accepted our offer. This invitation is still on the table and for the sake of our residents we sincerely hope that another company will show an interest in coming to our town.

The current franchise agreement was adopted by Ordinance in 2000 and is currently up for renewal. In return for granting Cablevision the right to serve the residents of Dunellen in 2000, Cablevision, as it was then known, offered a senior citizen discount of 10% on basic service, with a number of residency and income requirements for eligibility; Cablevision would provide one free hook-up and monthly fee waiver for a cable box in municipal buildings and the library; Cablevision would undertake to wire John P. Faber Elementary School classrooms at a cost of \$7,000; Cablevision would provide \$10,000 to the borough for Public, Education and Governmental (PEG) access; and Cablevision would pay an amount equal to 2% of annual gross revenues received from all recurring charges in the nature of subscription fees paid by subscribers in Dunellen. In 2020, this amount in our Budget is anticipated to be \$24,800.

In 2018, we began the process of renegotiating a new franchise agreement. This involved a procedure of surveying the residents on their satisfaction with Altice service, and the holding of a public hearing where cable users could voice their concerns. We sent a questionnaire to residents and businesses in Dunellen and received 252 responses. 74% of the responders noted that they used Altice for lack of any other service, and 73.7% responded that they were dissatisfied with Altice's service, citing lack of choices, uncertain reception, and high cost. Similar complaints were made at the public hearing that we held on January 14, 2019.

Much has changed since 2000. Many of the issues facing municipalities in 2019 did not exist in 2000 such as faster Internet, live streaming, a multiplicity of electronic platforms, enhanced information exchange through emails and communication by Twitter, Skype and Facebook. Telecommunications in 2019, and even more so today, are challenging for municipalities as they develop policies and procedures for being transparent with their residents and providing a multitude of useful and informative mechanisms to inform residents of what their government can do for them and their behalf. Thus, we were hoping to enhance our relationship with Altice so as to elevate them to partner-status in our messaging to our residents.

With this goal, and also with the desire to encourage improvement in Altice's service with its subscribers, the Mayor and Council developed a draft document with Altice for the next franchise agreement. The agreement requested enhanced services for the municipality such as cable boxes, better internet speed connection and assistance through a PEG grant the purchase of cameras for video-recording Council proceedings and improvements to the borough's IT. Most importantly, because cable subscriber fees are very high and burdened with considerable additional fees for anything more than basic service, we asked for discounts for seniors and veterans, as well as better pricing on packages across the board.

We forwarded our draft Agreement in June 2019. It was not until January 2020 that we heard back from Altice. They denied all our requests, and actually decreased the Public, Educational and Governmental allocation. That, and the annual 2% fee, is all that Altice in the year 2020 would give the Borough of Dunellen. Needless to say, we are extremely disappointed in Altice. It should be noted that due to heightened federal and state restrictions imposed on cable companies, they have now offered fewer and fewer concessions in their franchise agreement renewals statewide. Sadly, Altice's response to the Borough's requests are consistent with their responses to other municipalities; as are the responses from their competitors to the towns they serve. Regardless, the Mayor and Council continue to advocate on behalf of Dunellen's residents and businesses in these ongoing negotiations on this non-exclusive franchise agreement with Altice.

In the meantime, if you are unsatisfied with Altice's services, I encourage you to make your complaints known to them and call them at: 1-866-200-7273. You may also make your complaints known to the New Jersey Board of Public Utilities by calling: (800) 624-0241 or filing a complaint online at: <https://www.state.nj.us/bpu/assistance/complaints/inquiry.html>.

Thank you for your time and consideration in this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Jason F. Cilento". The signature is fluid and cursive, with a large initial "J" and "C".

Jason F. Cilento, Mayor
Borough of Dunellen