

Comcast Cable Franchise Negotiation Update

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Video Services Manager



Agenda

- Current Comcast Cable Franchise Overview
- Local Legal Authority
- Franchise Renewal Process Review
- Update on Priority Issues
- Next Steps
- Commission Feedback



Cable Franchise Negotiation Update

Current Cable Franchise Overview

- Separate 10-year Cable Franchises for both City and County
- Franchises extended by City and County June 2023
- Extended franchises expire June 30, 2024
- 50,405 cable subscribers as of December 2022

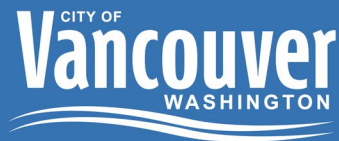
Cable Franchise Negotiation Update

Local Legal Authority

- Cable Act of 1984 and as amended in 1992 and 1996 governs local cable franchise process
- FCC also adopted rules and orders that govern local implementation of the Cable Act
- Under the Cable Act and City and County Charters, franchises are non-exclusive

Cable Franchise Negotiation Update

Local Legal Authority

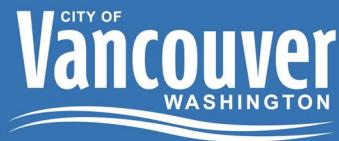


What **CANNOT** be Negotiated as Part of Franchise Agreement

- Rates
- Provided cable channels, except for PEG
- How the operator provides services, i.e., technical capacity, operational requirements, except those required by the FCC
- Non-cable services such as broadband and telephone

Cable Franchise Negotiation Update

Local Legal Authority

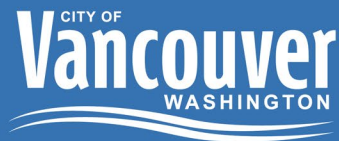


What CAN be Negotiated as Part of Franchise Agreement

- PEG channel capacity
- PEG capital funding
- Customer service standards
- Franchise term
- Specific wording and definitions

Cable Franchise Negotiation Update

Franchise Renewal Process Review

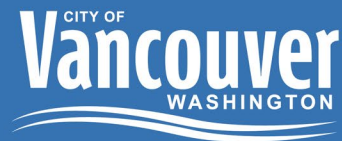


Cable Needs Ascertainment Study

- Franchise Renewal Process launched in August 2020
- CBG Communications, Inc. conducted Needs Ascertainment beginning in May 2021
- 4,000 randomly selected mailed survey – cable and non-cable subscribers
- 532 online survey respondents

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Franchise Renewal Process Review

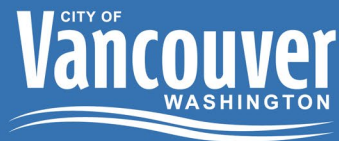


Cable Needs Ascertainment Study

- Focus groups, including youth, arts & culture, neighborhoods
- CMTV and TV ETC site visits and interviews
- Comcast Business Services users focus group
- Final Ascertainment Study released in December 2021

Cable Franchise Negotiation Update

Franchise Renewal Process Review

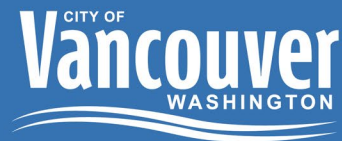


Comcast Franchise Negotiations Commence

- Recommended Priorities presented to Commission in January 2022
- Franchise Draft for Negotiations presented to Commission in June 2022
- Comcast Negotiations start in August 2022
- Negotiations continue two times per month

Cable Franchise Negotiation Update

Update on Priority Issues

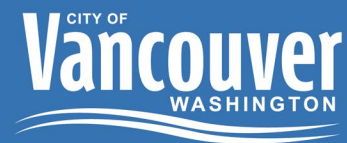


Customer Service – Technical Requirements

- Customer Service section expanded – based on Clackamas County
- Complaint Handling/Service Response
- Outage Credits
- Expanded testing and reporting for noted issues

Cable Franchise Negotiation Update

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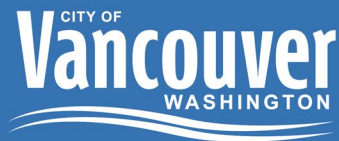


Buildout Requirements

- Current County Franchise requirements unclear
- Moving from 10 residences per quarter-mile to 5 for aerial
- 8 residences per quarter-mile for underground
- Cost-sharing for extensions over 125 feet outlined

Cable Franchise Negotiation Update

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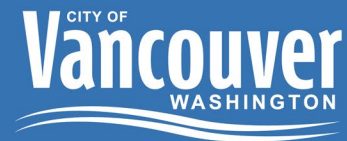


PEG Channels

- Two additional HD channels for TV ETC
- Loss of Video-On-Demand / Fire Training Channel
- Community Access Network (CAN) to remain on channel 11 Standard Definition (SD) as long as available

Cable Franchise Negotiation Update

Update on Priority Issues

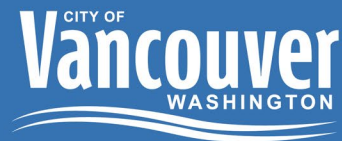


PEG Fee

- Currently \$1/month for residential subscriber
- Proposed \$1.38 to meet needs
- From 2020 – 2022 PEG fee lost 15.46%
- Franchise Fee based on percentage of Gross Revenue gained 1.37%

Cable Franchise Negotiation Update

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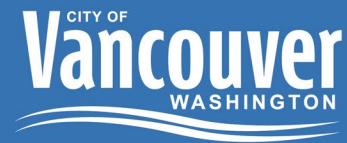


PEG Fee

- Move PEG Fee to 1% Gross Revenue
- 2022 Comparison
 - \$1/month = \$618,728
 - 1% Gross Revenue = \$802,287
- Limited Basic: \$0.52/month;
Popular TV: \$1.03/month;
Digital Starter: \$1.23/month

Cable Franchise Negotiation Update

Update on Priority Issues



PEG Fee – Remaining Issues

- Comcast Business Services monthly transport costs
- PEG channel Electronic Program Guide costs

Cable Franchise Negotiation Update

Next Steps

- Gather feedback from Commission, City and County Councils
- Address remaining issues in negotiations
- Commission Work Session with draft franchise on January 17, 2024

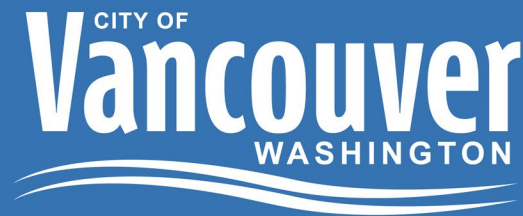
Cable Franchise Negotiation Update

Next Steps

- Commission consider franchise recommendations on March 6, 2024
- City Council / County Council hearings April-May 2024

Questions/Feedback

Jim Demmon – jim.demmon@cityofvancouver.us



SOME RECOMMENDED PRIORITIES FOR FRANCHISE RENEWAL

January 19, 2022

Incorporate Detailed Customer Service Standards

These standards can follow the FCC guidelines, but should further incorporate detailed requirements related:

- Customer communications
- Billing
- Service response
- Complaint handling

Incorporate Detailed System Technical Requirements

These should include:

- Compliance with technical standards
- Testing and inspection requirements
- Operational reporting requirements, including, but not limited to:
 - outage logs and reports
 - service and repair logs and reports
 - system testing reports

Enhance System Buildout Requirements

This should include improved system density and system expansion specifications

The potential for expanding the system by other means should also be discussed, and these wouldn't necessarily be incorporated in the Franchise Agreement

Continue to Make the Current PEG Channels Available on the System, With the Potential for Adding a Public Access Component

Expand Delivery Methods for the Current PEG Channels

This would include:

- All the Educational Access channels in HD (and continuation of SD provision until SD is no longer provided on the cable system)
- Additional hours of video on demand (VOD) for Educational Access
- Migration to successor delivery platforms in the future

Inclusion of Educational Access Programming Descriptions on the Electronic Program Guide / Digital Menu

Additional funding support may be needed to support such an inclusion

Increase in the PEG Fee

For PEG Access Capital (not including the I-Net), an increase to at least \$1.38 per subscriber is needed to support the projected capital need

- Because of volatility in subscribership, development of quarterly capital grants is a potential alternative to a per subscriber fee