

**Report to the
Clark County Council
And
Vancouver City Council
From the
City/County Telecommunications Commission**

**PROGRESS REPORT ON THE COMCAST CORPORATION
VANCOUVER/CLARK COUNTY FRANCHISE AGREEMENT**

June 2023

I. INTRODUCTION - BACKGROUND

This is the Thirty-Sixth Report by the Vancouver/Clark County Telecommunications Commission ("Commission") reviewing the status of the franchise agreement with the cable television operator, Comcast of Washington V, LLC ("Comcast"). This is the fifth Biennial Report since a 10-year franchise agreement with Comcast was adopted in July 2013.

The 2021-22 Report is biennial, as agreed to in the franchise agreement. Previously performance reviews were conducted annually. However, the bulk of the report is consistent with the format for the previous evaluations of the cable operator's performance (1981-1986 Cox Cable; June 1986-1995 Columbia Cable; December 1995-1998 TCI; 1999-February 2003 AT&T Broadband; and February 2003 – Present, Comcast Corporation). The Commission's review focuses on calendar years 2021-22 although, as appropriate, more recent developments and issues are noted.

The Commission recognizes the importance of conducting reviews – not only as a franchise obligation, but also in light of changes in the marketplace, ever evolving technologies, population growth in the Vancouver and Clark County area and the requirements of the Federal Cable Act – to give an operator the opportunity to correct any franchise violations. The Commission understands that as a citizen advisory board it is responsible for the efficient and effective management and enforcement of the franchise. In addition, one of the most effective roles of the Commission through the years has been to inform various stakeholders, including the cable operator, Public, Education, and Government (PEG) access providers, elected officials, and cable subscribers, about the needs and issues of interest to the community. This report also summarizes the activities of the Commission during 2021-2022.

As noted in this report, Comcast's performance during the past two years has met all the conditions of the City and County franchises. The number of customer complaints received by the City/County Cable TV Office regarding Comcast's service in 2021-2022, including but not limited to the company's high-speed internet service, decreased by 64% when compared to 2019-2020. The 2021-2022 complaints were about issues with billing, customer service and internet services. Review of the cable operator's overall

performance as well as a status report regarding Commission activities are contained in this review.

II. PURPOSE/GOALS

As set forth in the current franchise agreement with Comcast, Section 4.5, the Biennial Review is intended to assess the cable operator's performance as well as compliance with the terms and conditions of the franchise and compliance with state and federal laws and regulations during the previous two years. Evaluation of past performance by the cable operator(s) is of critical importance under federal law as the franchising authorities look to the future. In addition, the Report outlines the efforts and focus of the Commission during the previous two years and priorities for the current year.

III. METHODOLOGY

Comcast's performance was evaluated by reviewing the following information pertaining to performance and related cable service information:

- A. Correspondence, phone calls, electronic mail and inquiries received by the City/County Cable Television Office ("Cable TV Office");
- B. Minutes and video records of Commission meetings;
- C. Formal exchange of correspondence between Comcast and the Cable TV Office;
- D. Press reports and the experience of other communities, especially in the Vancouver/Portland area, regarding the delivery of cable television services; and
- E. Testimony received from the public during regularly scheduled Commission meetings where public testimony on Comcast's performance was solicited, the most recent being March 1, 2023.

Information requested by the Commission from Comcast specifically for the purpose of preparing this report is on file and available for review at the Cable TV Office.

IV. FRAMEWORK FOR EVALUATION

The framework for evaluation has been governed by Section 4.5 "Performance Evaluation Sessions" of the franchise agreement. The agreement provides that evaluation "shall deal with the Grantee's [Comcast's] performance of the terms and conditions of the Franchise and compliance with state and federal laws and regulations."

In addition, findings and recommendations criteria presented to the Vancouver City Council and Clark County Council by the Commission in Resolution 2013 – 01, May 1, 2013, in recommending the franchise agreement are also part of the framework for evaluation of

Comcast's performance:

- A. Commitment to maintain current programmed PEG channels, with the capacity for up to two additional channels based on use by the community;
- B. Comcast's commitment to simultaneously carry three (3) of the existing PEG access channels in high-definition ("HD") and include up to twenty-four (24) hours of PEG access programming on Comcast's video-on-demand ("VOD") platform;
- C. Preserve PEG channel access to the lowest tier available to subscribers;
- D. Washington State and local programming identified as broad programming categories to be provided by the operator;
- E. Maintenance and potential increase, based on community needs and input, to capital funding support for public, education, and government access programming;
- F. Responsiveness to the special and unique qualities of Vancouver and Clark County.

V. **HIGHLIGHTS OF 2020-21 PERFORMANCE REVIEW**

The Report chronicles the nineteenth and twentieth full years of service by Comcast as the cable operator. The Commission notes that the company has shown a strong commitment to the community. Examples of Comcast's ongoing commitment include:

- A. Providing \$9.95 a month internet service and low-cost computers to households who have at least one child receiving free or reduced-price school lunches and/or residents receiving HUD-housing assistance and participating in the Affordable Connectivity Program which provides qualified households with a credit of up to \$30/month towards internet or mobility services;
- B. Extensive involvement in the Vancouver/Clark County community including continued sponsorship through 2022 of the Historic Trust, Boys & Girls Clubs of Southwest Washington and other community functions.

During the past two years, there have been changes in local and regional leadership at Comcast. Rodrigo Lopez oversees operations in Oregon and Washington, as the Regional Senior Vice President, based out of the Everett, Washington regional office. Marion Haynes, serves as Vice President of External Affairs, in the Tigard, Oregon regional office. Samantha Ridderbusch, Director of Government Affairs, serves as the primary contact for the Cable TV Office and the Telecommunications Commission. Todd Gorder serves as Vice President of Technical Operations for Oregon/ Washington. Kevin Harrison serves as Vice President of Finance for Oregon/Washington. Comcast reports there are 924 company employees in the Vancouver/Portland area.

Commission activities during 2021-22 included:

- A. Initiated franchise renewal proceedings with Comcast;
- B. Oversaw the development of a report on the cable-related needs and interests within the City of Vancouver and Clark County franchise area;
- C. Began franchise renewal negotiations with Comcast;
- D. Re-designation of Educational and Governmental access providers;
- E. Review and forwarding of recommendations regarding the Public, Educational and Governmental (“PEG”) Capital Support Fund.

In 2021, the total number of actual complaint calls to the Cable TV Office *decreased* to nineteen (19) (4 total “other calls/correspondence”) compared forty-five (45) (6 total “other calls/correspondence”) in 2020. In 2022, the total number of actual complaint calls to the Cable TV Office stayed steady at nineteen (19) (3 total “other calls/correspondence”). When compared to a total of 50,405 subscribers Comcast reported in January 1, 2023, the 38 complaint calls represented 0.05% of total Comcast subscribers.

The Quarterly Comcast Subscriber Report details the decrease of 6,014 residential subscribers or a 10.5% decrease during 2021, from 62,924 as of December 31, 2020, to 56,910 as of December 31, 2021. The decrease accelerated in 2022 with a drop of 6,505 residential subscribers or a 12.9% decline, from 56,910 as of December 31, 2021, to 50,405 as of December 31, 2022. Comcast reported 16.14 million U.S. cable subscribers in 2022, reflecting a loss of 3.31 million subscribers when compared to 2020.

Nationally, the media industry is in a transformative phase, as streaming media and live video on social media gain more viewers, threatening the traditional pay TV industry. Locally, this continues the significant decline in the number of cable customers over the last four years. This is a concerning, though not unexpected, sign not only for maintaining a vibrant cable system but providing stable revenue streams from cable franchise fees and PEG capital support grants.

The Commission conducted a public review session regarding Comcast’s performance at the March 1, 2023, regular meeting. The meeting was publicized in local newspapers and on the City of Vancouver’s and Clark County’s web pages. One in-person comment and eight e-mails were received as part of the public testimony. Written testimony and phone calls to the Cable TV Office were also accepted through May 12, 2023. Thirteen additional e-mails were received. The Cable TV Office and/or Comcast followed up directly with customers regarding their specific issues.

Specific testimony and comments were received regarding the following subjects:

- Nine complaints regarding Comcast internet service, including reliability and cost;
- Nine complaints regarding poor customer service, including outsourcing of calls to different countries, and lengthy call times;
- Four technical issue complaints;
- One phone service complaint;
- Two complaints from customers having issues when moving to new locations;
- Twenty complaints regarding cost, including need for competition; lack of senior discounts; and the high cost of Broadcast and Regional Sports fees;
- Four compliments for Comcast, including reliability and good service at their local stores.

VI. COMCAST 2021-2022 PERFORMANCE REVIEW – SUMMARY ANALYSIS

A. Construction

System mileage as of January 1, 2023, was 905.32 miles of subscriber, cable plant in the City of Vancouver service area, a 10.53 mile increase since December 2020; and 1,511.81 in the Clark County service area, an increase of 29.86 miles since December 2020. In Vancouver a total of 101,708 homes are now passed by the cable system and 90,058 homes are passed in Clark County.

A current map detailing constructed areas is on file in the Cable TV Office. A smaller conceptual map is available upon request.

System design and reliability are in compliance with franchise requirements.

B. Rates

As of September 1, 1993, cable rates became subject to regulation -- the Basic Service tier was regulated by local franchising authorities. The Cable Programming Service tier (“Expanded or Enhanced Basic”) was regulated by the FCC until March 31, 1999. Expanded Basic rates became deregulated at that time. In 2007 Comcast filed a “Petition of Effective Competition” for Vancouver and Clark County with the Federal Communications Commission (FCC). On March 3, 2011, the FCC approved Comcast’s petition, taking away the ability of the cities and counties to regulate basic rates and equipment.

As of January 1, 2023, the Limited Basic Service, which includes local broadcast and PEG channels, has a monthly rate of \$51.94 (including 5.79% franchise fee and \$28.95 Broadcast TV fee). Since January 1, 2021, the Limited Basic Rate has increased by \$10.05 or a 19.35% increase. The Popular TV tier, which includes Limited Basic Service and other selected channels, HD programming and 20 hours of DVR service in total, costs \$103.96 (including franchise fee, \$28.95 Broadcast TV fee and \$9.35 Regional Sports fee). Since 2020, the Popular TV tier changed from the Digital Starter package and decreased by \$1.31 or a 1.26% decrease. The Ultimate TV package

includes over 140 channels and costs \$123.56 (including franchise, broadcast and regional sports fees). Since January 1, 2021, the Ultimate TV package changed from the Digital Preferred package and decreased by \$0.23 or an 0.19% decrease.

A table of Comcast rates and other charges as of **January 2023** is attached to this report. (Exhibit A)

C. **Consumer Services**

1. During 2021, Comcast met the telephone answering performance requirements of the franchises and of FCC customer service standards, answering 90% of calls within thirty (30) seconds. Our compliance data for Comcast's reporting shows the following percentage of calls answered within thirty (30) seconds for 2021: 1st Quarter – 92%; 2nd Quarter – 97.9%; 3rd Quarter – 97.12%; 4th Quarter – 95.36%. 2022: 1st Quarter – 91.58%; 2nd Quarter – 93.94%; 3rd Quarter – 91.68%; 4th Quarter – 92.09%.
2. Comcast's Vancouver/Clark County office continued to handle in-home installation and repair, maintenance and field technicians and system management throughout 2021-2022.
3. As reported by Comcast, the average response time to a customer complaint was within 24-hours.
4. Standard customer installations in Comcast constructed areas were usually completed within five (5) business days after the request for cable service was received. The average response time for standard installation in new construction areas, when the home is not pre-wired for cable, was thirty (30) days. The response time is also within franchise requirements.
5. Comcast provides parental lock boxes upon request, as required by the Cable Communications Policy Act of 1984, to block out any channel. There is no additional charge for the device. Extensive parental control features are included as part of the digital cable service.
6. Comcast now operates three state-of-the-art customer experience stores at 7809 N.E. Vancouver Plaza Drive, 8901 NE Hazel Dell Ave. and 16515 S.E. Mill Plain Blvd. At the start of 2021 Comcast operated only one store in our area. The showrooms include TV screens where customers can test Comcast products and services.
7. Comcast continues to expanded customer service resources with 24/7 online chats, the Xfinity App, Xfinity store locator, status center to check for outages, and common solutions guides.

D. PEG Access Programming**Public Access**

1. In July 2014, based on a recommendation from the Commission, the City Council and County Council chose to not re-designate Fort Vancouver Community Television (FVTV) as the public access provider. This decision was the result of a number of on-going management and fiscal challenges with FVTV.
2. The CAN Network, a consortium of public access centers from the Portland Metro area, continues to air on cable channel 11.

Educational Access

1. TV ETC is an educational consortium with members representing all public and private educational institutions in Vancouver and Clark County. The Commission recommended re-designation of TV ETC as the Education Access Provider on June 1, 2022. TV ETC is responsible for programming channels 27, 28 29 and HD 328.

In May 2022, TV ETC submitted an annual report to the Commission. TV ETC continues to produce quality programming. A copy of the TV ETC Annual Report for 2021 and 2022 is on file at the Vancouver City Manager's Office.

TV ETC members produced 397 hours of local educational programming in 2021. TV ETC averaged 23 hours of programming per day on channel 27, 23 hours on channel 28/HD328 and 23 hours on channel 29.

Government Access

1. The Commission recommended re-designation of the City/County Cable Television Office as the Designated Access Provider for government on June 1, 2022. Through the government access channels, Clark/Vancouver Television (CVTV) Channels 21, 23 and HD 321 & 323, the City and County continue their service of providing local government and community programming.

CVTV produced 350 programs in 2021, offering viewers over 457 hours of locally produced programming. In 2022, CVTV produced 343 programs totaling 424 hours of programming. 92% of the programming was first aired live. CVTV averaged 17.71 hours per day of locally produced programming on channel 21/HD321 and 19.43 hours per day on channels 23/HD323. A copy of the CVTV Annual Report for 2021 and 2022 is on file at the Vancouver City Manager's Office.

PEG Capital Support

1. A total of \$18,474,810 in PEG Capital Support payments collected by Comcast and paid to the City and County has been placed in the PEG Capital Support Fund from May 1998 through the 4th quarter of 2022. The PEG payments do not include interest accrued or adjustments for grant dollars unspent. During 2021-22, PEG funds awarded a total \$1,710,775: \$564,481 for Government Access (CVTV) and \$692,494 for Educational Access (TV ETC), and \$453,800 for public Institutional Network (“I-NET”) users.

PEG Capital Support provided funding for twelve projects in 2021: including multiple improvements to video production systems for TV ETC, and a 4K video switcher installation in a mobile system for CVTV. In 2022, twelve projects were funded, including video production upgrades for TV ETC, and replacements of 4K video switchers in Vancouver City Hall and the Clark County Public Service Center and a new micro-mobile production unit for CVTV.

H. Technical Performance

1. In 2021, there was an average of 96.75 unplanned outages per month, compared to 117.75 unplanned outages per month reported in 2020. In 2022, there were 126.25 unplanned outages per month. The average duration of the outage was 0.99 hours in 2021 and 1.78 hours in 2022. Outages are tracked by repair and maintenance technicians and logged in a technical performance log for each occurrence.

I. Institutional Network/Comcast Business Services

1. In July 2013, Comcast signed contracts with the City of Vancouver, Clark County, Clark County Fire District 5 and the Fort Vancouver Regional Library District for continued use of an optical fiber based Institutional Network (“I-NET”) The 2013 cable franchise allowed I-NET users to utilize either the I-NET or switch to the services provided by Comcast Business Services. Comcast reports that in 2014 all I-NET sites were transition to Comcast Business Services.
2. Public users of Comcast Business Services have reported that the service functioned extremely well throughout 2022. The City of Vancouver currently connects fourteen (14) different sites to the Comcast Business Services for data transfer, including City Hall, Vancouver Police Department’s West and East Precincts and multiple Vancouver Fire Department stations. Clark County connects twelve (12) sites for data transfer, including the Clark County Center for Community Health, the Clark County Sheriff’s Office Central Precinct, the Fairgrounds and the NW Regional Training Center. The Fort Vancouver Regional Library District connects eight (8) sites.

3. A total of \$226,900 in PEG Grant Funds was distributed in 2022 to Comcast Business Services public users for monthly transport costs (\$101,240 – Clark County, \$64,600 – City of Vancouver, \$61,100 – and the Fort Vancouver Regional Library District.)

J. Emergency Alert System

1. As required by the Federal Communications Commission, Comcast operates and regularly tests an Emergency Alert System (“EAS”). In the event of an alert a crawl message is inserted over all channels indicating that an emergency exists.
2. Comcast monitors two Vancouver/Portland EAS sources for alert information, KXL 101.1 FM radio and KOPB 91.5 FM radio, as well as FEMA’s Common Alert Protocol-based network.
3. Comcast tests their EAS system a minimum of twelve times per year. The Clark Regional Emergency Services Agency verifies their locally generated emergency alerts appear on the local cable system a minimum of two times per year.

K. Community Involvement

1. As noted by Comcast, between 2020-23 the company gave \$5.9 million in cash, grants and in-kind contributions to over 100 local community organizations in SW Washington/Oregon. The Commission acknowledges with appreciation Comcast's local sponsorships, participation, and charitable contributions in the Vancouver/Clark County community. These include the Historic Trust and several back-to-school resource efforts supporting families in the Evergreen and Vancouver School Districts.

In 2021, Comcast partnered with Boys & Girls Clubs of Southwest Washington to set up “Lift Zones” to assist families gain WiFi access in three separate neighborhood locations. In addition, \$85,000 in Comcast Foundation grants supporting digital equity were invested in the Boys & Girls Club of Southwest Washington and Girls Inc. of the Pacific Northwest.

L. Overall Performance

1. The Commission is pleased to report that Comcast was in compliance with all provisions of the franchise agreements through December 2022.
2. The reliability and customer service for Comcast’s cable and high-speed Internet were consistently strong throughout 2022.
3. The cable provider continues to keep the system robust with expanded services for Vancouver and Clark County subscribers, including increases in Internet speeds,

voice command remotes, large button voice remotes for people with disabilities, and connection to Netflix and Amazon through the cable box.

4. In March 2023, Comcast announced a \$280 million dollar investment to upgrade their network in the Pacific Northwest to offer multi-gigabit Internet speeds to more than four million locations and expand their broadband and video services to an additional 60,000 homes and businesses in the region.
5. Comcast continues offering its Internet Essential program with a \$9.95 a month Internet service and low-cost computer to households who have at least one child receiving free or reduced-price school lunches and/or residents receiving HUD-housing assistance. Comcast is participating in the Affordable Connectivity Program which provides up to a \$30/month credit to qualified households for Internet and mobility services. The company also launched three Lift Zones with free WiFi access at Boys & Girls Clubs of Southwest Washington locations.
6. The company continues to support local access programming by providing channel capacity and equipment funding. Clark/Vancouver Television and TV ETC reward viewers with nationally recognized programming receiving awards during 2021-2022 from the National Association of Telecommunications Officers and Advisors and the National Academy of Television Arts and Sciences.

VII. TELECOMMUNICATIONS COMMISSION ACTIVITIES

Paul Dicker served as Chair of the Commission through 2022. Paul Hunter served as Vice Chair through March 2022 when he resigned from the Commission. Douglas Green served as Vice Chair for the remainder of 2022.

The Commission held three (3) regular meetings and one (1) work session in 2021 and three (3) regular meetings and one (1) work session in 2022. In addition, several subcommittee meetings were held.

The majority of the Commission's attention was focused on the Comcast cable franchise renewal, PEG issues, including designation of access providers and channels, and recommendations on PEG capital grants.

Major work items and accomplishments for 2021/2022 included:

- A. Oversaw the creation of the Report on the Cable Television-Related Needs and Interests Ascertainment for Vancouver/Clark County, which included mailer and web surveys, focus group interviews and equipment needs reviews for CVTV and TV ETC.
- B. Began franchise renewal negotiations with Comcast;
- C. Review and re-designation of PEG Access Providers for government and education;

- D. Coordination of the PEG Capital Support Fund program;
- E. Assisted citizens and cable television subscribers in resolving 38 complaints regarding cable and Internet services during 2021-22;

Major work items for 2023/2024 include:

- A. Administer the cable television franchise agreement for the City of Vancouver and Clark County and ensure current grantees' (Comcast) continued compliance with franchise requirements;
- B. Provide assistance to citizens and cable television subscribers in cable television matters by facilitating complaint resolution and enforcing franchise compliance by the cable operator in all matters pertaining to consumer issues;
- C. Review proposals for cable television franchise with alternative providers and make recommendations to the legislative bodies when they are received;
- D. Conduct a biennial review of Comcast performance for 2021-2022.
- E. Provide recommendations to legislative bodies on awards of PEG Capital Support funding for designated access providers and Comcast Business Services subscribers;
- F. Review and recommend re-designation of PEG Access Providers for public, government and education;
- G. Provide recommendations to legislative bodies on a one-year extension of the Comcast franchise through July 1, 2024, to allow more time for negotiations.
- H. Oversee continued negotiations with Comcast on a renewed cable franchise agreement.
- I. Provide recommendations to legislative bodies on approval of a renewed Comcast cable franchise agreement.
- J. Review work plan for 2025-26.

VIII. SUMMARY

The Commission is pleased to present a positive report to the legislative bodies in this report on the progress of cable television in Vancouver/Clark County. Comcast is in full compliance with the terms and conditions of the franchise.

With the current cable franchise taking us into 2024, the opportunities and challenges

ahead are mirrored by the evolving technical and regulatory landscape. Ever changing and expanding technological initiatives mean that the delivery of cable services will continue to evolve and the way that customers receive these services may be very different five years from now, even though we don't know what that future will hold. The number of customers subscribing to traditional cable TV continues to drop nationally and locally. Netflix, a streaming video company, now surpasses the usage of cable TV subscribers. There are a number of regulatory and legal proceedings in Congress, the federal courts, and before the Federal Communications Commission that could dramatically impact the franchising process in the coming three to five years. These include, but are not limited to, changes in the federal Cable Policy Acts of 1984 and 1996, FCC's Section 621 Order, and court decisions regarding requirements of cable systems in a number of arenas and how services are defined.

Until there are more definite answers or specific changes, the City and the County will continue to proceed within the legal framework provided by the current Federal laws and FCC rulings and procedures.

The only certainty is change. The Commission, the City, the County, Comcast, other possible cable providers, and the community must continue to work together in partnership to insure that whatever new technologies are made available and implemented in Vancouver/Clark County, they meet the cable needs and requirements of Vancouver and Clark County residents. Despite all the unknown changes, however, localism and responsiveness to the local community are at the heart of cable television and are its strength in meeting the "special and unique needs" of Vancouver/Clark County. We think this community, the Commission, the legislative bodies, and Comcast are prepared to embrace the future and ensure that Vancouver/Clark County continue to receive state of the art telecommunications services delivered by the cable television system.