

COMCAST CURRENT and PROPOSED FRANCHISE COMPARISON
Metropolitan Area Communications Commission
June 10, 2015

FRANCHISE PROVISION	Today's COMCAST	§	July 2015 COMCAST	§
Term	15 years (the standard in 1999)	2.3	10 years (current national standard)	2.3
ROW AUTHORITY				
Police Powers and Right of Way Use	Comcast must abide by all generally applicable Codes in each member jurisdiction.	2 & 10	No change.	2 & 10
Competition	Competitor's franchise must be "reasonably comparable...in order that one operator not be granted an unfair competitive advantage...". MACC makes that determination, which may be adjudicated.	2.6	<p>If competitor's franchise has terms that are perceived to be less demanding on these points:</p> <ul style="list-style-type: none"> • 5% franchise fee • PEG funding • PEG channels • Customer Service standards • Complimentary services <p>Then, this process could be initiated by Comcast: (1) discussion with MACC to mitigate the Comcast franchise, and then, if not resolved, (2) court review, or (3) a reduction in the franchise term to not more than 30 months.</p> <p>Step 3 would result in a new negotiated franchise through the renewal procedures of the Cable Act.</p> <p><u>Only applies to the specific jurisdiction(s)</u> where a competitor's franchise is granted and challenged by Comcast.</p>	2.6

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FINANCE				
Franchise fees	5% of gross revenues	3.1	No change	3.1
Gross Revenue Definition	<p>Among the most aggressive Gross Revenue definitions in the country.</p> <p>MACC collected approximately \$6.6M in CY 2014</p>	1.18	<p>MACC retained its broad definition of Gross Revenue – the application of a 5% fee on all revenue attributable to Cable Services. Still better standard than most franchises and all area franchises.</p> <p>If the revenue base is the same, MACC collections in CY2015 would be: \$6.5M, a 1.5% drop. (No longer includes PCN revenue due to changes in PCN management.)</p>	1.24
Audit authority	<p>Authority to audit once each 12 months;</p> <p>If franchise fees are underpaid by 3% or more, Comcast pays the total cost of the audit</p>	3.6	<p>Retained all data submission requirements.</p> <p>No changes in the timing of, or the way MACC conducts audits.</p> <p>If underpaid 4% or more, company pays the total cost of the audit up to \$15,000. Comparable to Frontier.</p>	3.6
Insurance Limits	<p>General Liability: \$2 million Broadcasters Liab: \$1 million Auto BI/PD: \$2 million Employers Liab: \$2 million</p>	5.1	<p>General Liability: \$3 million Broadcasters Liab: \$1 million Auto BI/PD: \$2 million Employers Liab: \$2 million</p>	5.1

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PEG PROGRAMMING				
PEG Channels	6 channels required in MACC/Washington County franchises; 5 channels in West Linn franchise. There is potential for additional channels. MACC programs 4 Public & Government Channels.	9	5 channels required, but no change in current usage A side agreement provides the potential to discontinue the CAN (11) and PCC (27) channels if all other metro areas systems do so. Public and Government channels are guaranteed.	9.2
PEG/PCN Fee	\$1.00 per subscriber /month Requires a Competitive Grant Process.	9.7	Although the per subscriber fee, falls to \$0.80 per month, there is no reduction on the PEG/PCN Fund: Combining the three franchises requires Comcast to provide funding based on an additional 25,000 subscribers. Commission will allocate funding following a review of current PEG/PCN Fund Policy early next Fiscal Year.	13
HD Channels	No HD channels	n/a	3 new HD channels implemented over 4 years.	9.4
PEG Origination Points	Seven Activated Origination Points	9.5	Eighteen Activated Origination Points – new sites for council meetings and other programming direct from jurisdiction sites. Includes new Cornelius & Tualatin City Hall locations.	9.8

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CUSTOMER SERVICE	1999 standard Customer Service Requirements.	6	Comcast will abide by the Frontier customer service model, unifying the standards that apply to all cable operators in the MACC area.	Attc. A
Telephone Answering	90% of the calls answered within 30 seconds	6.3	No change	Attc. A-2
Local office	One center conveniently located in the franchise area to provide pick up/drop off equipment, bill payment, and complaints	6.2	No local office requirement, which matches Frontier requirement to pick up or drop off equipment free of charge (using Comcast representative home visit, prepaid mailer, or establishing a local business office). Note that Comcast, however, is opening additional offices in the MACC area.	Attc. A-6
Fines	<u>Telephone answering:</u> Failure to meet standard – \$10,000 first violation; \$20,000 2 nd violation; \$30,000 3 rd violation Other Violations: \$250/day No cap on total fines.	15	No change in current fine schedule, but now capped and proportional to Frontier's franchise – at \$75,000/year.	15

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<p>Institutional Network (PCN)</p>	<p>Upgrade of existing network, run by Comcast Cable with protections and services guaranteed by the MACC Franchise.</p> <p>Rates rise 3.5% per year.</p> <p>Current rates: \$250 - \$1150/mo.</p>	<p>11.2</p>	<p>Comcast is required by the Franchise to maintain and provide PCN network services. Most standards provided for in individual customer agreements.</p> <p>Rates guaranteed for 10 years:</p> <p>New rates: \$90 - \$850/month</p> <p>Approximately 25% or greater cost savings to member jurisdictions.</p> <p>Network-wide jurisdiction savings of \$150,000 - \$250,000 per year.</p>	<p>12 & Attc. D</p>