

**Cable Franchise Adoption
Questions and Answers**
Prepared by MACC
August 2015

Q1: What is MACC?

A: Your jurisdiction is a member of the Metropolitan Area Communications Commission – a fifteen member joint powers organization. MACC was created in 1980 to provide a centralized agency to prepare for, negotiate and administer cable television franchises. On behalf of the member jurisdictions, in accordance with its Intergovernmental Agreement (IGA), MACC provides the daily management of the area’s cable franchises (Comcast and Frontier), including:

- Finance - Franchise fee collection, audits, insurance and bonds
- Centralized Customer Service Regulation – all complaint calls should come to MACC
- TVCTV’s Public and Government Access programming services – a division of MACC
- General administration and compliance with Federal cable television franchising rules
- Coordination of the Public Communications Network (PCN)

Q2: How does MACC operate?

A: Each member jurisdiction is an equal partner in MACC. Jurisdictions appoint a MACC Commissioner who participates, reviews and recommends new and renewed cable television franchises along with other administrative chores. When MACC recommends a cable franchise, the MACC IGA requires that every affected member jurisdiction approve the franchise in order to make it effective. For the recommended Comcast franchise, that requires all 15 members. For the recommended CenturyLink franchise, the five affected members’ governing boards must approve.

Q3: How are cable television franchise negotiations different than other negotiations?

A: Incumbent Cable Operators, such as Comcast, have the right to renew their franchise through negotiation. While there are certain limiting federal laws and requirements, a company already in the Right of Way has rights to continue service unless it has failed to perform, or it will not meet the demonstrated needs of the communities it serves.

Competitive Cable Operators, such as CenturyLink, also have certain rights to provide cable television service over new or existing facilities. These competitive cable franchises cannot be unreasonably denied.

Q4: What benefits does the Comcast franchise provide my jurisdiction?

A: The primary benefits are financial, reduced-cost connectivity and customer service regulation:

- The 5% franchise fee paid by Comcast provides about \$6.5million to the member jurisdictions each year. The Franchise provides for continued fee review and audit functions by MACC.
- PCN service costs are reduced.
- Public Meeting coverage through TVCTV is secured, and upgraded to High Definition (HD).
- The PEG/PCN Fee is set at 80¢/month, a lower cost than previously collected, but enough to fully support these programs.
- Complementary TV service will continue to be provided to public buildings.

Q5: What benefits does the CenturyLink franchise provide my jurisdiction?

A: In addition to the benefits provided by the new Comcast franchise (which the CenturyLink franchise generally matches or exceeds), the CenturyLink franchise provides the opportunity for CenturyLink telephone customers in five member jurisdictions (Lake Oswego, North Plains, Tigard, West Linn and portions of Washington County, the “Affected Jurisdictions”) to have a new choice in the video marketplace. In addition, a landline competitor provides funding to the Affected Jurisdictions through the franchise fee – satellite alternatives Dish and DirecTV do not.

Q6: What is non-negotiable in a cable television franchise?

A: Federal Law restricts local governments from negotiating:

- Rates for service or equipment.
- Programming – either including or excluding any particular channel.
- The type of technology a cable operator uses to transmit its signals.
- Internet regulation.
- The amount of the franchise fee is capped under the Cable Act at 5% of Gross Revenue.

Q7: How does this franchise address competition issues?

A: In both franchises, MACC and the companies tried to ensure a level playing field. Cable television is an increasingly competitive environment, with new options and providers every day. In the Comcast franchise, certain provisions were inserted to ensure the viability of the franchise, regardless of new technology or regulation. The CenturyLink franchise mirrors many of the integral Comcast franchise requirements.

Q8: When will these Franchises be effective?

A: The Comcast franchise will be effective retroactively back to July 1, following the approval of all 15 MACC jurisdictions. This is expected by early October. CenturyLink’s franchise is effective at the time when the five Affected Jurisdictions have approved the franchise – probably by mid October.

For additional questions about the renewal process, contact **Fred Christ**, MACC Administrator, at **503-645-7365 x206** or at fchrist@maccor.org. MACC’s website is: www.maccor.org