

Cable Franchise Renewal:



What's at Stake for Concord?



Why is Concord Doing a Compliance Review and Community Needs Assessment?

- Concord's cable franchise agreement with Comcast expires in 2024
- Many community benefits -- including local channels, equipment, and funding -- are results of the existing franchise agreement
- Comcast has asked Concord to renew its franchise agreement
- Concord wants to make sure that any renewed franchise agreement with Comcast includes elements needed to meet local communications and community programming needs for the next 10 years

Brainstorming Questions

- **What are the key local issues facing Concord residents, community organizations, local government, and schools in the next ten years?**

Brainstorming Questions

- **What makes it difficult for Concord community organizations, government departments, or schools to share information and effectively communicate with their constituencies and residents of Concord?**

Brainstorming Questions

- **What local programs, services, and information should be available on Concord's Minuteman Media Network channels (including Government Channel 9, Public Channel 8, and education channel 99), and through the community media center and facilities, to educate, inform, and entertain Concord residents?**

Brainstorming Questions

- **What equipment, facilities, training, or technical capability would make it easier for community organizations, local government departments, schools, and residents to use the community channels, the community media center, or the cable system?**
 - **Desired resources, training classes, equipment**
 - **Ease of access to the cable system or equipment**
 - **Customer service matters**

Cable Basics

- A cable franchise is a land use agreement
- Cable operators must pay rent for their commercial use of public property (franchise fees, PEG channels & support)
- A cable franchise agreement defines the type, level, and quality of service provided by a cable operator
- Local governments must abide by Federal and State laws when conducting a cable franchise renewal process
- Local franchise length is typically 10 years
- Public input is a critical part of franchise renewal process
- Renewal process is central to determining what future services citizens will receive

Concord Area Cable Facts

- Comcast has been operating under a 10-year franchise that is due to expire in April 2024
 - Likely that franchise will need to be extended
- Comcast has an estimated 4,400 subscribers in the Concord franchise area
 - Concord has 6,700 homes passed by Comcast
- Renewal of the Concord cable TV franchise agreement is very valuable to Comcast

Concord Area Cable Facts

- Conservative estimate of Comcast's revenues over the next 10 years of a renewed Franchise agreement (excluding rate increases and Internet & telephone revenues):
 - 4,400 subscribers x \$120 per month/per subscriber x 12 months x 10 years = \$63,360,000
- Comcast can leverage their cable TV franchise to triple the above estimated earnings through broadband and telephone service revenues

Comcast Franchise Fee and PEG Access Obligations

- The value of the existing Comcast franchise to Concord and the community includes:
 - Three (3) channels for local Public, Educational, and Government (PEG) access programming
 - PEG Capital Grant -- \$353,440 over 10-year franchise
 - Fiber link for PEG signal transport from High School to Comcast headend and subscribers
 - Complimentary cable drops, outlets, and service to 12 municipal buildings and 7 school buildings

Comcast Franchise Fee and PEG Access Obligations (continued)

- Franchise fee -- 5% of gross annual cable revenues
 - PEG Annual Support – 4.8% of gross cable revenues (which are a portion of the 5% franchise fees)
- All of these community benefits are on the table during the franchise renewal process
- Nothing automatically carries forward to the renewed franchise

Key Elements of the Franchise Renewal Process

- Starts 30-36 months before current franchise expires
- Requires a past performance review of cable operator
- Community needs assessment
 - Focus Groups & Survey
- Determine renewal goals and prepare a draft franchise agreement
 - Must be based on needs assessment and past performance review
- Conduct an informal process -- Negotiations
 - Negotiations can take a year or more
- If negotiations reach an impasse, move forward with the issuance of a RFRP

Franchise Renewal Presents Opportunities To:

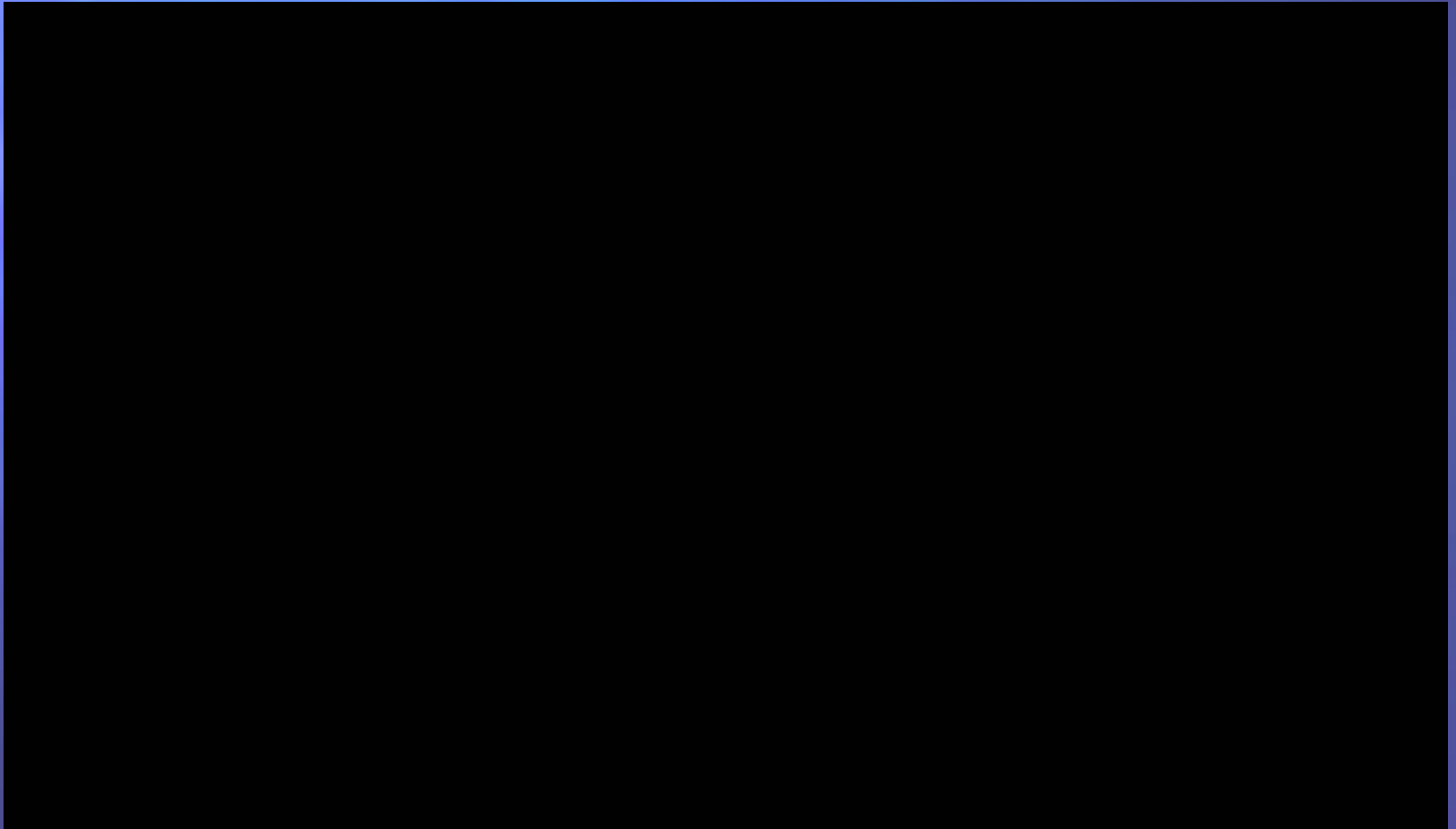
- Guarantee provision of state-of-the-art communication services throughout the term of the renewal franchises (until 2034, if a 10-year renewal is issued)
- Improve the quality of customer service
- Assure support for local community channels, community media center/facilities, and local community uses of the cable system
- Assure that Comcast pays adequate rent for their commercial use of public property
- Undertake a *communications planning process* that can result in improved community media

Franchise Renewal Opportunities

- Embrace the evolution to Community Media Centers – It's NOT just access TV anymore
 - It's access to multiple means of content distribution, including cable, Internet streaming, future technologies
- Ensure that local community/PEG access channels use the same technologies as other channels
 - High Definition (HD) or the most advanced format in future
 - Included in the Electronic Program Guide
- Identify and implement new services and ways to deliver community media and PEG access services
- Expand local community/PEG programming and implement new community media services/center

Franchise Renewal Opportunities

(A video will be inserted on this page.)



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