

MINUTES

Metropolitan Cable Commission
Lane Council of Governments Buford Room—859 Willamette Street
Eugene, Oregon

September 5, 2019
11:30 a.m.

PRESENT: Lucy Vinis, Chair (City of Eugene); Joe Berney, Pete Sorenson (Lane County); Christine Lundberg, Joe Pishioneri (City of Springfield)

Anne Davies (Lane Council of Governments); Kristina Kraaz (City of Springfield); Pam Berrian (City of Eugene); Christine Moody (Lane County); Sherry Aker (Comcast).

WELCOME AND INTRODUCTIONS

Ms. Vinis welcomed everyone to the Metropolitan Cable Commission meeting. Those in attendance introduced themselves.

CALL TO ORDER

Ms. Vinis called the meeting to order.

ADJUSTMENTS TO THE AGENDA

There were no adjustments.

COMMENTS FROM THE AUDIENCE

There was no one wishing to speak.

METROPOLITAN CABLE COMMISSION

Update on Federal Communications Commission (FCC) Third Report and Order

Ms. Davies said that staff from the jurisdictions had been working with Comcast on a fee review and renewal of the existing franchise. The fee review had been resolved and the Metro Cable Commission had agreed on franchise fees that Comcast would pay the jurisdiction. The franchise agreement deadline had been extended until June 2020 in order to continue negotiations.

Ms. Davies said the FCC had issued an order in August 2019 that affected cable franchising and a summary of that order was included in the agenda packet. She said one of the issues related to mixed use such as providing services like internet access and the City of Eugene had already filed an appeal of the order. The two issues of interest to the commission dealt with gratis services. The Comcast agreement currently provided free cable service to government buildings and local jurisdictions had taken advantage of that service. The FCC order made it clear that gratis services were no longer free and the value of the services would be deducted from the franchise fees collected from Comcast. Another issue was public,

education and government (PEG) channels, but the order did not include a final determination. She expected a decision would be made within a year and would need to be addressed by the commission.

Regarding gratis services, Ms. Davies said the FCC order went into effect September 26, 2019. She said jurisdiction staff was in the process of inventorying the services and cable boxes in use in public buildings and Comcast had been asked to place a value on that service. A valuation of gratis cable service was included in the agenda packet. She said local schools, which were independent organizations with separate funding, were also receiving gratis services. Any change in the status gratis services would need to be negotiated with the school districts. At this point both Springfield and Eugene were leaning toward eliminating the gratis services if they were no longer free, in part because of advancing technology that used the internet instead of cable. She expected that the cities and county would determine over the next month whether they wished to continue with the gratis service. She said the commission would be asked to take prior to September 26 on whether to continue with the gratis service.

Ms. Kraaz explained that the City of Springfield did not want the gratis service as in-kind under the franchise and if individual departments, fire stations, libraries or schools wanted to continue the service they would work directly with Comcast the same as any other customer would.

In response to a question from Mr. Sorenson, Ms. Davies said a decision by the commission to eliminate receipt of gratis service from the franchise would not prevent departments, agencies and programs within the jurisdictions from paying Comcast directly the access the service. She said staff was exploring options for the commission to consider.

Ms. Kraaz said the FCC order allowed Comcast to set the value of gratis service at market rate and Springfield did not anticipate any cost savings by including it in the franchise. Each department or building contracting for the service on its own would likely result in the same cost, but was administratively simpler instead of accounting for the cost being deducted from franchise payments.

Mr. Sorenson asked how much the three jurisdictions received each year and franchise fees. Ms. Berrian said Eugene received \$2 million, Springfield \$700,000 and Lane County \$450,000.

Ms. Lundberg remarked that cable service was becoming less important with new technology that was available and Springfield was reviewing options for receiving information and what was useful for city departments.

In response to questions from Mr. Berney, Ms. Davies cable companies were likely to increase revenue under the new order and there were no clear guidelines for how companies would determine market rates for gratis service. She said the order did not specifically require cable companies to give notice of what they would be charging or seek to begin negotiations with local governments. She said the order did anticipate that such negotiations would take place and suggested that 120 days was a reasonable amount of time.

Mr. Berney asked if information was being shared amount local governments across the country about the nature and progress of their negotiations with cable companies. Ms. Davies said there was a national association through which that information was being shared.

Ms. Vinis inquired about the order's impact on public schools. Ms. Davies replied that under the franchise gratis service was provided to schools. She said almost all of the schools in Eugene, Springfield and Lane County used some of that service. She said staff was reaching out to schools and explaining the impact of the FCC order and the need to consider options, such as retaining the service and paying for it or using

other technology. Ms. Berrian added that both Eugene 4J and Bethel school districts were indicating that most classrooms were moving to the internet even if a cable box was present.

Mr. Sorenson asked staff to draft a letter for the commission's consideration that would ask Comcast to direct the money that would result from gratis service back to rate payers.

Ms. Davies said concerns about the order should be directed to members of jurisdictions' congressional delegations, rather than the FCC.

Ms. Vinis asked if members of the commission were in agreement about a letter to Comcast.

Mr. Pishioneri did not disagree with the suggestion of a letter, but felt it should ask whether Comcast was going to charge for gratis service and what would be done with the revenue generated.

Ms. Davies said that if the jurisdictions had determine by next month that the gratis services were no longer wanted, notice could be provided to Comcast that they should not be deducted from franchise fees.

The meeting adjourned at 1:35 p.m.

(Recorded by Lynn Taylor)