



MEMORANDUM

TO: Comcast Internal Staff and Tim Goodman

FROM: Anne Davies

RE: Competitive Equity/Springfield Store Proposal

DATE: June 10, 2022

I. Springfield Store

At the time the current franchise was adopted, Comcast had a store in Springfield. The existing franchise contains a provision that requires Comcast to provide a store in Springfield and a store in Eugene. At some point in the last 10 years or so, Comcast closed their Springfield store. Because the closure violated the terms of the franchise agreement, Comcast paid Springfield compensation for the closure. However, the requirement for the store remained in the franchise. The jurisdictions do not consider that compensation to have been consideration for permanently removing the requirement for a Springfield store from the franchise. Thus, during previous negotiations, the jurisdictions proposed, and Comcast agreed to further compensation for the removal of that language from the franchise.

Comcast now notifies the jurisdictions that Comcast plans to open another store in Springfield. A lease for space has been signed that is for a 5-year term, with the possibility of extensions. However, Comcast does not agree to pay any compensation for removing from the franchise agreement verbiage that would require a store in Springfield.

The jurisdictions have proposed that, upon expiration of the lease term, plus any extensions, for the store in Springfield, the parties would negotiate whether to retain the language in the franchise regarding the Springfield store. Given that the franchise is only for 10 years, it seems advisable to kick the ultimate decision on this issue to a point in time when it would become relevant. It is quite possible that the store will remain open, and discussion of compensation for removing language from the franchise would become moot. Under this scenario, Comcast would not compensate Springfield because the circumstances surrounding the store would not change.

If, at some point in the future, Comcast decided to close the Springfield store, the parties would at that time negotiate the consequences of that action.

II. Competitive Equity

Comcast has proposed competitive equity language for the renewed franchise that would require the jurisdictions to treat companies they believe to be “competitors” similarly to how they treat Comcast of Oregon II under the cable franchise. The United States Cable Act already requires jurisdictions to treat cable operators the same as they treat other cable operators. It is acknowledged by both parties that the language proposed by Comcast would impose a requirement above and beyond the anti-discrimination language that appears in the federal Cable Act.

Comcast states a concern that new competition will come into the market and that our three jurisdictions will not treat it the same as Comcast is treated. However, Comcast has not articulated a rationale for this concern. The three jurisdictions, through their staff, have assured Comcast that they have no intention of violating the federal Cable Act. Further, staff for the three jurisdictions believe that the language proposed by Comcast is not clear enough regarding which new entrants would be considered “competitors.” Staff for the jurisdictions would not be able to recommend that the Cable Commission agree to Comcast’s language as currently proposed.

As a solution, staff for the jurisdictions propose incorporating language into the franchise that would allow Comcast to notify the jurisdictions when it becomes aware that a company has entered the market or plans to enter the market that Comcast believes is US Cable Act-qualifying “competitor.” Comcast will provide sufficient documentation for their position. If the jurisdictions believe that the company is not a competitor under the US Cable Act, then Comcast can seek a declaratory ruling from a court of competent jurisdiction confirming their assertion that the company meets the cable operator criteria under the US Cable Act. The jurisdictions would agree to abide by the court’s ruling.