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## **CABLE TELEVISION NEEDS ASSESSMENT REPORT**

**FOR THE**

**CITY OF FORT COLLINS, COLORADO**

**February 10, 2004**

# CABLE TELEVISION NEEDS ASSESSMENT REPORT

## EXECUTIVE SUMMARY

### Data Collection

The City of Fort Collins ("City") has been conducting a needs assessment study to determine the current and future cable communications-related needs and interests of the Fort Collins community. The assessment methodology involved several types of information gathering techniques, including:

- A statistically valid subscriber/non-subscriber survey
- An on-line survey
- Survey of neighborhood groups
- A telephone call in line for comments
- A community meeting (publicized with a news release, paid advertising and newspaper articles) which was rerun on Channel 27 during a 4 week period
- Surveys of City Departments, Front Range Community College, Colorado State University, and Poudre School District, followed by workshops, including a technical briefing
- Phone calls and/or letters to the City's Franchise Administrator
- A radio interview
- Input from the Telecommunications Board identifying priorities for the community.

Further, as part of the needs assessment process, the City compiled a list of its current Governmental Access equipment, and indicated what additional and replacement Governmental Access equipment will be needed to meet the community's future cable-related needs and interests. Those projections are a starting point for discussions with Comcast.

This report also contains a summary of selected other cable television franchises in Colorado and other Comcast franchises from various parts of the country. Although the terms and provisions of the City's new cable television franchise which will be negotiated with Comcast may not necessarily be the same as franchise provisions negotiated elsewhere, the summary does provide some comparative information for the City.

The information gathered from the various outreach activities will be used in developing the franchise proposal that will be presented to Comcast in a few months.

## INTRODUCTION

The City has been conducting a needs assessment study to determine the current and future cable communications-related needs and interests of the Fort Collins community. The needs assessment process has included, for example, residential and non-residential surveys, three workshops and a community-at-large meeting. Numerous responses that have been submitted by the participants have been analyzed by the City. The process was structured and implemented in ways to disseminate and gather information and analyze and determine the cable communications-related needs and interests of this community.

There are approximately 130,000 people in the City. Comcast serves approximately 28,400 subscribers. Overall, the needs that River Oaks Communications Corporation ("River Oaks") has ascertained in Fort Collins over the past several months are consistent with trends in the cable industry. Today, communications-related needs increasingly cover a variety of data, video and voice services. Particularly in the case of government, schools and business users, and for a growing segment of residential consumers, needs indicated today typically go well beyond just video information and entertainment to services such as videoconferencing and high speed data communications.

In today's telecommunications environment, traditional needs such as video entertainment services have also been supplemented with electronic access to government information and the provision of educational programs for local schools. The needs identified through the study are many and varied, ranging from customer service issues to enhanced broadband applications. These needs have a very important bearing on the type of cable communications infrastructure that needs to be maintained within the Fort Collins community. We believe that a number of these needs may be able to be satisfied through the cable franchise renewal negotiation process.

During the course of the community needs assessment process, our work focused on various broad areas of concern, including, for example:

- Existing and potential future uses of a cable communications system as determined through the methodologies employed in this study. The methodologies were designed to cover broad and diverse communities of interest.
- Consumer satisfaction and dissatisfaction regarding numerous cable television customer service issues (for example, picture quality, telephone hold times, company responsiveness, programming, rates and other issues of a consumer nature). It is important to also note that subscriber needs and attitudes towards cable communications services are many and varied. Consequently, subscriber satisfaction levels with the system can change based on system conditions, service levels and rates.

This report summarizes our findings and provides recommendations for the City to consider in its franchise renewal discussions with Comcast. The report focuses on both the existing capabilities and offerings of the cable system within the City and what type of system and services might meet the future needs and interests of the City and numerous diverse communities of interest.

## **METHODOLOGY**

Overall, the needs assessment study was designed to gather information and analyze it in both a qualitative and quantitative manner to determine the cable communications-related needs and interests of the community as a whole and also those of a number of different communities of interest within the City. Those communities of interest included, for example, residents of Fort Collins, educational constituencies and City government.

To determine the existing and future needs and interests that could be met by Comcast for the Fort Collins community, the City utilized a variety of information gathering methods. Survey instruments targeted to different groups were prepared and disseminated. For example, survey instruments were prepared for the public at large (via a random mail-out survey), City government, CSU, the Community College, the School District and neighborhood associations.

Some of the issues posed by the residential Community Survey during this process included questions regarding (a) subscribers' levels of service, (b) customer service experiences, (c) Comcast's Internet service, (d) interest and support for Channel 27, (e) franchise renewal priorities, and (f) an overall perception of Comcast.

Respondents to other surveys held a variety of positions within their organizations. The survey responses covered a wide range of subject areas, including perspectives on cable television, services and satisfaction levels; methods and ability of providing services; and input regarding the future communications environment.

Concurrent with this broad-based survey effort, three workshops and one community-at-large meeting were held. Those meetings covered a broad range of cable communications-related topics, including factors shaping the cable franchise renewal process, evolving cable communications technologies, new broadband services, organizational communications concerns, Institutional Network ("I-Net") development and the overall role of the City as the franchise administrator.

As indicated above, specific communities of interest within the City were targeted because of their diversity and potential reliance on the cable communications network. Both needs and interests were analyzed. These needs and interests were reviewed as they apply to both current and projected future cable system operations. In today's evolving cable communications environment, such needs are typically well documented for the near term, but spring more from strategic planning for the longer term. Since a renewed cable franchise must meet the future cable-related community needs and interests over the duration of a new franchise term, while taking into account the cost of meeting such needs and interests, it is easy to see why cable television network architectures must be highly flexible to meet projected future needs.

In the course of our work, we found that the types of facilities which exist or are desired vary greatly from one organization to another. In some cases there is fiber linking various facilities, and in other instances, there was none. The purpose of this report is not to describe in depth the various cable and telecommunications systems utilized by every community of interest in the City, nor is it our intent to describe in detail the facilities on an equipment-by-equipment basis. We will, however, discuss the general state of networks and opportunities for advancements.

This needs assessment study was commenced by the City in September, 2003. In conjunction therewith, River Oaks performed, among other things, the following tasks, and a descriptive summary of the applicable methodology follows:

- ***Identify potential affected community segments.***

In the context of this cable television community needs assessment, River Oaks identified many affected communities of interest, including, but not limited to, the public at large, City Departments, the County, CSU, Community College, School District, public schools (K-12), libraries, non-profits, hospitals and the Chamber of Commerce.

- ***Survey City Departments to ascertain the Departments' future cable-related needs and interests.***

River Oaks, in working with City staff, developed a Survey which was responded to by many Departments, including Human Resources, Transportation Services Administration, Police Services, Advanced Planning (and Affordable Housing and Historic Preservation), Engineering and the Library. The department survey was intended to elicit communications needs and interests of local government. A copy of the Department Survey Instrument is attached to this report.

- ***Survey CSU, the Community College and School District to ascertain their present and future cable-related needs and interests.***

River Oaks, again in conjunction with City staff, developed an Educational Survey to identify how CSU, the Community College and School District currently use cable television, how they intend to do so in the future, which educational issues or activities should receive more coverage on cable television and their overall rating of Comcast as a cable television service provider. Additionally, the survey covered other topics such as the need for additional communications resources. A copy of the Educational Survey Instrument is attached to this report.

- ***Conduct three meetings (in total) for City Departments and the Educational Community (CSU, Community College and School District) to discuss the cable television franchise renewal process and ascertain their future cable-related needs and interests.***

On Thursday, November 6, 2003, a workshop was held for representatives of various City Departments. The following Departments were represented: Building and Zoning/CPES, Cable Television, Information Technology, Utilities, Engineering/Transportation and Advance Planning. Many of the needs and interests of the City were clearly identified during that workshop and will be discussed at length in the Findings Section of this report.

Also on November 6, 2003, a workshop was held regarding franchise renewal technology issues. A number of City Departments were represented, including the Utilities and Information Technology Departments, along with representatives from CSU, the Community College and School District. A summary of the findings that were elicited from those discussions is included later in this report.

A third workshop was also held on that same day. This meeting focused in particular on the needs and interests of the School District. The needs and interests of the School District will be discussed later in this report.

- ***Attend and conduct a public meeting for residents in the City to ascertain their future cable-related community needs and interests and review the past performance of Comcast under the current franchise.***

On Wednesday, October 29, 2003, a community-at-large meeting was held in the City Council Chambers at City Hall. The forum was designed and intended to elicit meaningful feedback from those present. The comments received from those in attendance at the community forum are summarized later in this report.

- ***Review of equipment used in governmental programming.***

The City has compiled an initial list of its current cable/media equipment. A copy of that equipment list is attached to this Report, including a description of equipment that may be needed in the future. That list is subject to further modification.

- ***Develop a Mail-Out Community Survey.***

River Oaks, in conjunction with City staff, developed written surveys to ascertain the residential community's present and future cable-related needs and interests. The random Community Survey covered a wide variety of matters ranging from customer service issues, to Internet usage, to inquiries regarding viewership of Channel 27. A copy of the Community Survey is attached to this report.

- ***Off-Site Technical Review of Comcast's Cable System.***

CBG Communications, Inc. ("CBG"), at the request of the City, conducted an off-site paper review of Comcast's cable system. It is important to consider whether the existing cable system will be capable of meeting the City's current and future cable-related needs and interests, while taking into account the cost of meeting those needs and interests.

Because of the City's budgetary constraints, an on-site technical review was not included as part of the needs assessment. An on-site review could have provided even more information regarding Comcast's system capabilities and network performance. In the absence of such, it is still important for the City to receive a preliminary indication as to the quality of Comcast's cable system. A copy of CBG's Report is attached.

In addition to the above assessment methodologies, the City used several other outreach efforts to try to include diverse communities of interest in this needs assessment study. For example, the City issued a news release and placed a newspaper advertisement regarding the community-at-large meeting. A news story was also carried in a local newspaper. As part of the outreach effort, the City also gave residents an opportunity to express their views via a call-in comment line and by sending letters to the Information Technology Department.

In summary, the City made a concerted effort to include diverse cross sections of the community. As a result, the information which was gathered and analyzed provides a detailed picture of Fort Collins' current and future cable-related needs and interests.



# **CITY DEPARTMENTS - ASSESSMENT REPORT**

## **City Department Survey**

Several City departments responded to the Cable TV/Communications Assessment Survey. Those departments included Human Resources, Transportation Services Administration, Police Services, Advance Planning (and Affordable Housing and Historic Preservation), Engineering and the Library.

### ***Human Resources Department***

The Human Resources Department employs between 11 and 20 people. The Department is located at 215 North Mason. The Department's primary function is to provide services to other City Departments. The Department currently receives two cable tv hookups/services. The Department uses cable television now in terms of having access to the City's Cable Channel 27. In terms of future usage, the Department desires continued access to Channel 27, along with being able to use Channel 96 (the City's internal channel) for various purposes including, for example, viewing programs or training.

Human Resources would like to use cable technology in the future for other purposes, such as videoconferencing, teletraining and video streaming (accessing video clips via the Internet/Intranet).

If improved telecommuting opportunities were to be made available, the Department believes that there would be significant benefit for its employees (especially with regard to the online services component). The respondent for Human Resources indicated that at the present time, there is little information online that helps her do her job from home, so she doesn't telecommute. The respondent believes that self-serve capabilities would be ideal for employees.

At the present time, there are no new programs or expansion of existing programs planned (budgeted) which may require additional communications resources. However, the Department is interested in partnering with the IT Department to offer more video streaming and online training opportunities over the next few years. At this time, the most important communications-based issue currently facing Human Resources is identifying and using a consistent, easily accessible and flexible communication mechanism that reaches all City employees quickly and efficiently.

### ***Transportation Services Administration Department***

The Transportation Services Administration Department employs between 1 and 10 people. The Department is located at 215 North Mason. The Department's primary

function is to provide services to City residents. The Department currently receives one cable tv hookup and services and desires to retain that cable drop in the future.

Transportation Services Administration does or will use cable tv for viewing informational programming, watching Channel 27 and for advertising or public service announcements. The Department anticipates using Channel 96 for training or other purposes.

In terms of future usage, the Department anticipates using cable technology for a number of multi-media purposes. For example, the network could be used for audio conferencing, videoconferencing, teletraining and video streaming.

At the present time, Transportation Services Administration believes that there are not any governmental issues or activities which should receive more coverage on Channel 27. The Department does believe that if improved telecommuting opportunities were available, there would be a significant benefit for this Department.

There are anticipated programs which may require additional communications resources. For example, more fiber optic cable is needed for the City's traffic signal system. In fact, the most important communications-based issue currently facing Transportation Services Administration at this time involves the traffic signal system.

### ***Police Services Department***

The Police Services Department employs more than 51 people. The Department is located at 300 Laporte. The Department has a field office (namely, District 1 which is located at 15 Old Town Square). The Department's primary functions include providing services to other City Departments, the business community and City residents. The Department currently receives five cable tv hookups/services and desires to receive cable tv hookups/services in the future.

Police Services uses cable television for viewing informational programming, along with having access to Channel 27. In terms of future applications, the Department may want to use the cable television system for advertising or preferably public service announcements, along with using Channel 96 for various purposes.

If improved telecommuting opportunities were available, there would not be a significant benefit for this Department. At the present time, no new programs or expansion of existing programs are planned which may require additional communications resources.

***Advance Planning (and Affordable Housing and Historic Preservation)  
Department***

The Advance Planning (and Affordable Housing and Historic Preservation) Department ("Advance Planning") employs between 11 and 20 people. The Department is located at 281 North College Avenue. The Department's primary functions include providing services to other City Departments, the business community and City residents.

Advance Planning currently has one cable tv hookup and services. The Department desires two cable tv hookups in the future. The Department currently uses the cable television system for viewing informational programming and for advertising or public service announcements. Future uses include potentially cablecasting meetings, viewing information over Channel 27 and utilizing Channel 96.

As cable technology has other multi-media uses in addition to video, this Department anticipates several potential network applications. For example, the cable platform could be used for audio and videoconferencing and teletraining.

Advance Planning believes that there are governmental issues or activities that should receive more coverage on Channel 27. Evidently, getting the word out regarding public meetings is expensive. Currently the Department uses PSAs and costly postcard mailings and display ads in *The Coloradoan* with limited success. There may be ways to utilize Channel 27 to generate interest that would be very beneficial for the Department's public outreach process and budget.

As an example, the Department indicated that Laramie's public notice board makes good use of air time, because it mixes community events with government events. If a Fort Collins citizen, for example, were to check out the cable calendar to get information about the St. Patrick's Day Parade, then he/she could also see upcoming open houses or meeting announcements. Also, Channel 27 could be used to further publicize the City Plan (the comprehensive plan for the City) to promote greater public understanding.

At the present time, improved telecommuting opportunities would not create a significant benefit for this Department. Further, there are no new programs or expansion of existing programs planned which may require additional communications resources.

The most important communications-based issue currently facing this Department at this time involves the public education process. It is important to Advance Planning to effectively create interest and an understanding of the roles that City Departments play. Subjects to be covered could include, as already mentioned, the City Plan, along with historic preservation incentives and the benefits of affordable housing. The most critical long-term communications needs of this Department are the same as its current needs.

### ***Engineering Department***

The Engineering Department employs 41 to 50 people. The Department is located at 281 North College. The Department's primary functions include providing services to other City Departments and City residents. The Department currently has one cable tv hookup and services. The Department uses the cable television system for viewing informational programming, advertising or public service announcements and having access to Channel 27.

In terms of present multi-media uses, Engineering uses cable technology for teletraining. Future network applications may include audio and videoconferencing. The Department believes that road improvement projects should receive more coverage on Channel 27.

With regard to telecommuting, there would be some benefit to improving telecommuting capabilities. There are no new programs or expansion of existing programs planned (budgeted) which may require additional communications resources.

The most important communications-based issue currently facing Engineering at this time involves the ongoing challenge of keeping employees and upper management informed on important issues and projects. In terms of the most critical long-term communications needs of the Department, Engineering is looking for a better cell phone arrangement. Also, mobile access to digital plans and documents for field engineers and inspectors could help improve efficiencies.

### ***Library Department***

The Library Department employs more than 51 people. The Department is located at 201 Peterson Street. The Library has satellite or field offices which include the FRCC Campus and Technical Services. The Library's primary function is to provide services to City residents. The Department does have cable tv hookups/services.

The Library Department uses the cable television system now for viewing informational programming and anticipates continuing to do so in the future. The Department's future uses of the cable television system include having access to Channel 27, along with Channel 96. In terms of multi-media uses in addition to video, the Department anticipates using cable technology in the future for video streaming and potentially for the transmission of Internet data. At the present time, there are not any governmental issues or activities that this Department believes should receive more coverage on Channel 27.

In terms of new communications applications or upgrades which would immediately improve workflow and benefit public service, this Department would like to revisit the possibility of separating staff computing from public computing (in a network sense) to allow staff to access City resources. If improved telecommuting opportunities were

available, there may be a significant benefit for this Department. For example, some library functions, such as cataloging, could be performed remotely (i.e., work from home).

There are new programs or expansion of existing programs planned (budgeted) which may require additional communications resources for the Library. For example, there is a possibility of Internet data services being provided for some public computing (that the Department would want to separate from the City's network).

The most important communications-based issue currently facing the Library Department at this time involves a connection between the main and satellite locations (Tech Services, Harmony Library at FRCC). The most critical long term communications needs of the Department involve the Internet and site connectivity. The service is currently excellent, and the Department wants to maintain that level of service. One additional issue for this Department is connectivity to any future branch library sites.

### **City Department Workshop**

Representatives of many Departments participated in this workshop. Spokespeople for Building and Zoning/CPES, Cable Television, Information Technology, Utilities, Engineering/Transportation and Advance Planning attended the workshop.

The Engineering and Traffic Departments are interested in teletraining for internal purposes. Connecting outlying buildings with fiber could save time and decrease transportation issues for City employees. Additionally, the Engineering Department wants undergrounding procedures that are at least as favorable as those contained in the existing Franchise.

The Advance Planning Department tries to project the needs of the City on a proactive basis. There is a continued need for conduit to be installed as part of a forward-thinking approach. In that regard, streets will not be disrupted and torn up when fiber needs to be installed at a subsequent time.

The representative from the Building and Zoning Department discussed the working relationship between the City and County. There is a need to coordinate the building permit process between these governmental entities and augment the working relationship between the City and County.

The Building and Zoning Department is planning to add an Interactive Voice Response ("IVR") System. The purpose of this system will be to enable people to call an automated number and check on the status of their applications. It is anticipated that the IVR System will one day enable people to check on the status of inspections, schedule them or see where they are in the process. Conceptually, the cable system could be utilized to

fulfill this need in that inspectors in the field could download information to facilitate this service. At some point on-line permitting may also be possible as well.

With respect to the Office of Cable Television, there was a very clear need that is not being met. There is an interest in having more local origination programming in the City. Channel 27, to its credit, has for many years tried to do more with less equipment and budgetary constraints. Channel 27 has received several programming awards.

City staff makes programming available from approximately 9:00 in the morning till 10:00 at night on many days. There is a definite need for new and improved equipment as well as replacement equipment throughout the life of the next franchise. A new and renewed franchise must contain sufficient capital funding from Comcast to meet the needs of the community, taking into account the cost of meeting such needs and interests.

Channel 27 has entered into an Intergovernmental Agreement with Larimer County. The City televises County Commissioner Meetings on a regular basis. Additionally, the City has entered into an arrangement with Poudre Valley Hospital as well. As indicated by the representative of Channel 27, "the demand for local programming grows all of the time."

Departments of the City have a need to communicate their pertinent information to Channel 27 for dissemination purposes. The City expressed a strong need for Comcast to provide Public Service Announcements at no charge to the City and at reasonable hours. City Staff has been very discouraged by Comcast's apparent lack of response regarding the City's calls and questions in that regard. There is a need for the new franchise agreement to address what is a PSA, how much time will be available on the system and the hours during which the PSAs will be carried.

An electronic TV Guide for Channel 27 and other PEG Access channels would provide helpful information to the citizens of Fort Collins. The City wants Comcast to significantly participate in airing local programming. One example is that the City wanted to televise an instructional video on how to vote in the election, and that request was met with resistance from a Comcast representative.

The IT Department provides communications support for many other City Departments. Access to high speeds is critical. This provides not only faster throughput, but creates an environment which fosters telecommuting.

A discussion then occurred with respect to the Utilities Department. The City representative indicated that the "Utilities Department lives and breathes on communications." The Utilities Department has a need for cable drops at each site where administrative functions are performed with respect to water and sewer services. The cable system could also be of assistance in providing opportunities for teletraining.

In terms of infrastructure the Utilities Department does a lot of joint trenching work with Comcast. Comments were very favorable with respect to Comcast's local construction group. There is a further need to provide for continued coordination of joint trenching opportunities between Comcast and the City.

There are certain locations where the fiber network of the Utilities Department could be augmented by Comcast. The City is part of Platte River Power Authority ("PRPA") and works closely with its staff. While the cable system theoretically could be utilized for automatic meter readings, other uses of the spectrum would probably be of more benefit.

The Utilities Department is embarking upon homeland security-related projects, and an Ethernet is being built for load management. On a going forward basis, Comcast's cable system provides significant opportunities for the Utilities Department to address homeland security in the event of a terrorist act.

With respect to the Building and Advance Planning Departments, the City provides a Website which is used in many ways. Public outreach efforts include matters involving affordable housing, land planning and categorization of historic locations.

Facilitating networking is the IT Department. The IT Department operates, in effect, in a large campus type environment. Fiber connectivity extends to the County and to CSU. Currently, part of the system is a ring architecture which includes the Poudre Fire Authority. The City is reducing leased line costs by utilizing or dropping in fiber. Fiber is needed from Comcast to connect remote traffic lights and other sites as well. Key sites include, but are not limited to, Poudre Valley Hospital, Harmony Medical Center, the Public Safety Network for Police (who have a need for separate, secure networks) and the Sheriff's Office and Detention Center. The City will also build additional facilities which will need to be connected with fiber.

Due to a cost factor, some City employees telecommute while others do not want to have to personally pay for the cost of modems and monthly charges. There is an interest in having Comcast provide additional modems without charge and without recurring monthly expenditures. Currently, the City uses a virtual private network via Comcast as one alternative to accessing the City's network.

The City also expressed a need for dedicated lines to enable the provision of remote broadcasting. For example, Emergency Management could benefit from being able to utilize remote broadcast lines. Additionally, Emergency Management could generate programs which could be used in both a proactive and reactive format. An updated emergency notification system needs to be considered for local emergencies. That system could benefit from remote access.

While some people at the local level have been very good to work with at Comcast, the City is frustrated by having to work through a maze of departments and people. Thus, an increased local presence by Comcast is a very important need which was identified in the context of the City Department workshop. Throughout any new franchise term, there needs to be a local office open during convenient normal business hours and a local general manager.

With respect to Fire and Police, the City has a need to be able to communicate effectively and efficiently with other jurisdictions, including Longmont and Loveland. Also, working with Greeley could address important public safety communications needs for the City given its location in Northern Colorado. Thus, the prospect for interconnection of an I-Net or cable system is a very important one. With an interconnected system in place, the City would be able, in a matter of seconds, to transmit data which could provide vital information to protect police officers and the public at large.

Another prevalent comment made during the Department workshop was the need for video-on-demand for government access programming. In this way, City staff as well as members of the public, would be able to request training videos, City Council Meetings, and other government provided telecasts when it works best for them from a scheduling standpoint.

#### **Additional Matters of Interest for the City**

As noted above, it appears that Fort Collins could benefit from a regionalization of the Comcast cable systems. Given the number of Comcast cable systems in the area, the City could realize efficiencies of operation by sharing data and information with other communities over the Comcast cable systems.

Additionally, homeland security is still of paramount importance. If the City could deploy cameras at critical sites which, in turn, could transmit information over the cable system or I-Net, overall security in the community could be enhanced.

Communities throughout the country are doing vulnerability assessments for homeland security purposes. The ability of the City to quickly respond in the event of bioterrorism or natural disasters cannot be overestimated. It is important for the City to explore every feasible alternative (be it a wireless or wireline solution) to bolster its communications network capabilities. In the event of an emergency, information must be disseminated quickly and accurately to the public at large.

In terms of the City, the cable system and fiber network could also be used to further economic development. It will be important to stimulate citizen involvement through a broad-based community programming effort. Cities compete with other cities for businesses and market share. Both businesses and citizens place a high degree of



emphasis on the availability of adequate communications infrastructure to meet their needs. If the City is to remain competitive, the communications network and infrastructure will need to be responsive to the sophisticated needs of local businesses.

## **Summary**

In summary, given the aforementioned needs and interests, the City is keenly interested in expansion of the cable system and PRPA's fiber optic network which could provide more connectivity among key City locations for enhanced video, voice and data purposes. The fiber optic network could create efficiencies for City government and possibly save on current expenditures which are being made for leased lines. Connectivity among jurisdictions could provide for external sharing of critical public safety information. Given the homeland security challenges still faced by municipalities, the importance of such regional interconnection cannot be overstated.

## **PUBLIC AGENCIES - ASSESSMENT REPORT**

### **Educational Surveys**

#### ***Poudre School District***

The Poudre School District employs far in excess of 200 people. There are approximately 24,000 full time students in the School District. The School District's primary function is to provide services for students.

The School District's schools currently receive free cable tv hookups/services in the City. The School District desires that all of its new schools also receive free cable tv hookups/services plus digital cable.

The School District currently uses the cable television system to view informational programming, for educational programming purposes and for the cablecasting of meetings/information. In the future, the School District desires to continue its present utilization of cable television, along with utilizing the cable system for distance learning and training purposes. At the present time, there are no educational issues or activities which the School District believes should receive more coverage on the cable system. The School District's overall rating of Comcast as a service provider was good.

In the future, the School District would like to deploy videoconferencing. In addition, in terms of distance learning, the School District would like to provide interactive capabilities.

If the School District could have a fiber optic connection to other educational facilities, there would be several potential applications. For example, high speed data transfer and two-way connectivity could be deployed over the fiber optic connection. At the present time, if greater telecommuting opportunities were available, there would not be a significant benefit for the School District.

The School District does have new programs or expansion of existing programs planned (budgeted) which may require additional communications resources. The School District is interested in increasing utilization of digital signals. With that in mind, the School District anticipates a need for digital boxes. Further, an additional Educational Access channel may be needed for broadcasting educational television. The School District is also interested in developing the ability to "stream" video to its schools. In terms of the most important communications-based issue facing the School District at this time, the School District sees a need for upgrading its headend, along with sending video over the LAN/WAN.

The School District does not currently provide a fiber optic interconnection among all of its schools and classrooms for interactive teaching purposes. The School District does have

some connectivity, but not all of the schools are connected. Fiber optic connectivity among all of the schools would be very beneficial.

The School District is not currently involved in distance learning beyond the boundaries of the School District. Such distance learning connections would be beneficial, especially to mountain schools. Interactive classes would also be helpful in times of budget cuts.

### ***Colorado State University***

Colorado State University ("CSU") has approximately 20,765 full time students and 3,750 part time students. CSU both receives free cable tv hookups/services and pays for hookups/services. The University uses cable television for viewing informational programming and anticipates continuing to do so in the future. CSU's overall rating of the cable company as a service provider is good.

Network applications at CSU include videoconferencing capabilities through digital phone circuits and IP-based connectivity among the offices, other schools and teaching institutions. As one might expect, Internet access is readily available. Telecommuting is used on a limited basis.

In terms of problems encountered with the foregoing network applications, there have been connectivity and quality of service problems and equipment complexity issues with regard to videoconferencing. Expense is a consideration with regard to Internet access, along with usage issues regarding entertainment activities versus business operations. With regard to telecommuting, slow speeds are problematic for dial-up users. The University is always seeking more cost-efficient ways of doing business (for example, by replacing existing, fixed bandwidth circuits with high capacity fiber optic infrastructure). It should be noted, though, that approximately 90% of its agencies' facilities and buildings are connected by fiber optics.

With regard to new communications applications or upgrades that would immediately improve workflow, CSU mentioned affordable high speed data connections to remote research facilities, office buildings, employees' homes and Extension Offices. The University is interested in dark fiber infrastructure as opposed to vendor services.

Telecommuting remains of interest to the University. For example, telecommuting could lead to increased flexibility of employees' work schedules, increased productivity because of less time spent commuting, reduced travel costs and reduced environmental pollution, along with increasing employee morale.

Additional communications resources are needed. For example, CSU is active in Colorado Grid Computing (the "COGRID" initiative which is an inter-agency effort to make high performance computing resources available for research and education).

The most important communications-based issue currently facing CSU at this time involves completing the infrastructure upgrade projects that are required to bring all campus buildings up to a high standard of capacity and reliability.

The respondent also provided information regarding the configuration of CSU's campus network. CSU operates an IP-based, gigabit Ethernet backbone network that provides connectivity to departments and administrative units. Approximately 20,000 devices are attached spanning the main, foothills and south (Veterinary Teaching Hospital) campuses. Connections to other off-campus University facilities are made either by leased fiber or leased T-1 circuits. The respondent further indicated that, in terms of video applications, H.323 (IP-based videoconferencing) is a supported service. An H.320 gateway allows H.323 end points to conference with sites accessible only through the public switched telephone network. Video streaming services are also provided.

With regard to telephone service, CSU operates its own central telephone switch that serves approximately 11,000 users. Additionally, there are approximately 20 IP phone sets supported at this time. A voice and data infrastructure at the Veterinary Teaching Hospital will result in the deployment of around 600 additional IP telephones. Future plans include the deployment of approximately 100 IP phones for emergency purposes. CSU is building infrastructure so that the data network can support IP phone sets ubiquitously. The University is involved in the Internet2 Voice Over IP initiative.

In terms of data applications, the University responded with several examples. CSU's student information system, financial information system and human resources system are all examples of data applications using the network. Further examples include e-mail and Web services. CSU currently has fiber optic interconnections to other facilities, such as CSU's Engine Performance Lab on North College Avenue, the School District on West LaPorte Avenue, the National Center for Atmospheric Research in Boulder and other higher education institutions via the Front Range GigaPop in Denver.

The campus network is also connected to other networks via T-1 connections. For example, connectivity is provided to the Agricultural Research and Development Center, Office of Educational Outreach, the Environmental Learning Center, Natural Resources Ecology Lab, Pawnee National Grasslands, Laboratory Animal Research and the State's Video Network ("CIVICS").

The University could benefit from fiber connectivity to University offices where that is accomplished through T-1s now. CSU is interested in increasing University level courses to students in their homes. The University remains interested in exploring new ways to enhance the educational experience and to expand distance learning opportunities. According to CSU, video-on-demand and video streaming (live broadcasts) are possible delivery mechanisms.

## ***Front Range Community College***

The Community College employs in excess of 200 people and has approximately 1,200 full time students and over 5,000 part time students. Currently the Community College does not have free access to cable TV in the City. The Community College requested that the cable TV system be extended to provide services to the campus. The Community College would use cable television to view informational and educational programming, cablecast meetings and for distance learning and training purposes. At this time, there is no need for an Access channel for the Community College. However, the Community College would like to reserve the option of either sharing an Educational Access channel, or having one assigned for its use should the need arise in the future.

Currently, the Community College utilizes a number of network applications, including videoconferencing and distance learning. Videoconferencing is used for meetings, training and distance learning (which is provided via online courses). The Community College indicated that 95% of its facilities and buildings are connected by fiber optics. A high priority for the Community College is for all of its facilities to be on a fiber network. If the Community College could have a fiber optic connection to other educational facilities, high speed data transfer would be an important application. The Community College is currently involved in telecommuting (the ability to work from home) with Citrix.

The Community College's general campus network has seven buildings, all but one of which are connected with fiber. The Community College has a WAN link to the Community College system office and a T-1 for telephones to the Westminster Campus. Video applications are provided via a Pictel videoconferencing system. With regard to voice applications, the Community College has a Fujitsu PBX and utilizes the T-1 referenced earlier.

The institution has an interest in increasing Community College level courses to students in their homes. The majority of the distance learning courses are done online through WebCT with multimedia components. Bandwidth is a big issue with regard to broadcasting videos online, so cable television may be a good option in the view of the Community College for broadcasting some of the courses and related video materials.

In terms of video and production training opportunities for students, the Community College has video production and post production for faculty and staff, but the current facility is not suitable for training purposes. The Community College indicated that there is a tremendous interest in expanding training by means of cooperative agreements with the City and other agencies.

## Educational Constituency Meeting

A number of people attended this workshop. Included were representatives from the School District/IT, School District/Channel 10, CSU/IT and FRCC/Media. The School District has been an active user of the Comcast cable system for many years. Like other institutions, it has several needs which can be met by Comcast. The following items were presented by the School District as identified needs in the context of the cable television franchise renewal process:

1. The School District needs to continue to have an Educational Access Channel on Channel 10 of Comcast's system.
2. As technology changes, the School District wants Comcast to continue to provide the necessary headend equipment for the School District to maintain its current level of cablecasting.
3. The School District wants Comcast to contribute resources to upgrade current equipment for a better cablecast signal.

As Comcast moves to an entirely digital system, this will enable the School District to maintain its current level of service to all of its schools. During this interim period, Comcast needs to continue to provide basic cable service to all of the schools. Additionally, the School District wants Comcast to provide, at no cost, digital basic service in the following manner: 5 converters per high school, 3 converters per junior high, 2 per elementary school, 3 for the Instructional Technology Center and 1 for the Support Services Center, in order to meet the needs of the educational constituency.

4. The School District requested that its Instructional Television program receive funding for continued production over Comcast's system.
5. The School District expressed a need for Comcast to include specific information on the School District's shows in all electronic programming guides at no cost to the District, including both digital and analog programming.
6. There is a need for Comcast to continue to provide Channel 10 with access to digital music to be played on the channel at no charge.
7. The School District also expressed a need for Comcast to provide a signal from Fossil Ridge High School back to the District's headend at 2413 LaPorte Avenue.

8. The School District has requested that Comcast provide a second channel for auxiliary educational programming that might include, but is not limited to, NASA, Select TV and the Annenberg Channel.
9. From a customer service standpoint, the name and number of a local person to call for customer service is needed.
10. The School District has requested a server for video tapes which could then be distributed over the Comcast system on an on-demand basis.
11. The School District has requested videoconferencing capabilities over the cable system.

The School District both creates original programming and uses programs provided over the cable system for classroom programming. Currently, School Board sessions and work sessions are covered using robotic cameras.

### **Educational Matters**

On Comcast's current channel line-up, Channels 10 and 25 are used for Educational Access programming. Programming provided by CSU is located on Channel 25. Some of the challenges related to the current situation are as follows:

- Depending upon actual utilization by the educational entities involved, the question remains as to whether or not the existing Educational Access channels will be able to accommodate future programming of all of the schools. Channel capacity could become complicated due to scheduling needs of the various educational institutions, and programs might not otherwise be able to be carried on the existing Educational Access channels because of a potential lack of channel availability. There is also concern about the impact of digital compression and the potential for PEG Access channel bandwidth reduction and how much bandwidth will actually remain dedicated for PEG Access uses.
- Training and educational opportunities for school staff personnel may need to occur on a dedicated Educational Access channel so that it cannot be viewed by all residential subscribers throughout the City.
- Although Comcast has provided Educational Access channel space, there are still unmet needs (for example, equipment) which could be further addressed by Comcast.

- With respect to educational institutions in general, there is a need for fiber. Considerations include: building-to-building connectivity, interconnection among facilities including new locations, connections to libraries and redundancy.
- At the present time, there is not a mobile studio in good working order which is available for use by educational institutions.

Additionally, CSU has a vision of establishing a statewide network. Its hope is that this would extend along the Front Range from Fort Collins to Pueblo (along the I-25 corridor) and would extend to the I-70 corridor as well.

CSU is linked to the Denver area. This involves Qwest with OC-3 lines, AT&T, Level III and ICG.

It is important for CSU to be linked via fiber with Poudre Valley Hospital, the City, the City of Loveland, the School District and Larimer County. PRPA currently provides or will provide much of the fiber in this regard.

### **Educational Overview**

The School District's schools, like others across the country, want to make increased use of new and better telecommunications and cable television resources to benefit their students. For example, distance learning among schools within the School District could enhance educational opportunities for students and teachers. Additionally, some schools around the country are exploring distance learning possibilities beyond the boundaries of their school districts. Further, to enhance their ability to provide a variety of educational opportunities, many school districts are making significant use of cable-based networks, especially I-Nets. Information gathered indicates that the School District, public schools (K-12), CSU and the Community College place a high degree of emphasis on computer usage.

### **Neighborhood Associations**

As a further part of the outreach effort, the City contacted numerous Neighborhood Associations. In that regard, twenty (20) Surveys were returned which contained anywhere from a few, to some, to many responses. A copy of that Survey instrument is attached.

Several trends became evident in analyzing the Surveys. Most of those who responded were satisfied with several or many aspects of Comcast's customer service. Of those who responded, the overall rating of the cable company as a service provider was "good," followed by "fair," "poor" and then "excellent." The majority of those who responded are involved with a neighborhood that has below-ground cable television facilities.



One of the issues, though, that was mentioned several times was the perception that some of Comcast's cable is not buried deep enough. One respondent also indicated that the cables break after a heavy winter storm, so that respondent would like the cables to be placed underground without raising the monthly cost.

## **COMMUNITY-AT-LARGE MEETING - ASSESSMENT REPORT**

Several members of the public were in attendance. They included proponents of public access programming and religious broadcasting. Questions were posed with respect to franchise compliance issues and complaints were made regarding rates.

A Senior Pastor was in attendance who wanted to see what could be done to have network programming of Christian broadcasting and additional local origination. Another person saw a need for programming services for youth and other public affairs programming.

The next speaker had visited Comcast's Website but had not found the information that he was seeking. He e-mailed Comcast, received a Denver number, went to Comcast's office in Fort Collins and then was told that he had to provide his own equipment in order to create local programming. He saw this as a violation of the existing franchise. His position was that Comcast needs to come into compliance and provide an additional channel. He said that he was also informed by Comcast that he would have to provide 3/4" tapes or rent equipment.

The next speaker indicated that his main complaint was with respect to rates. Like others in attendance, he wants the ability to select a-la-carte programming. In this way he would only pay for shows which he chose to watch.

Then, a former City Council member presented her position regarding Comcast. She referred to the days when Columbine was the provider and local news was a priority. This was a need which was articulated by several in attendance. She suggested that there was a need for a regional news program. Additionally, she wanted to see further access provided for music shows, environmental groups, public access and organizations such as the League of Women Voters. This speaker also saw a need to include penalties in the Franchise for franchise obligations that were not met, including undergrounding of lines and burial of drops.

Interestingly enough, the next speaker had worked for Columbine and for TCI on the technical side. He expressed the need for additional local programming. He said that while the demand is there, the amount of public access programming is dwindling. Where the prior cable system provider used to train people, he believed that Comcast was much less accessible and unwilling to provide this guidance and assistance.

Public access programming is supposed to be carried on Channel 68. Questions were raised during the community-at-large meeting as to whether or not Comcast is in compliance with its current franchise regarding public access (for example, with regard to the provisioning of equipment and a studio for local access purposes). We would suggest that the City look into this matter during the course of the franchise renewal process.

Another speaker recounted how local programming had really not improved over the course of many years. He attributed some of this to Comcast not meeting the need to upgrade its facilities which, in turn, would affect the type of set top boxes which could be used by subscribers. He expressed a need for more foreign language programming and the continuation of SCOLA (which carries newscasts and foreign language programming from around the world).

The next speaker addressed needs regarding neighborhood areas and associations. Because it can be difficult with covenants of some neighborhood associations to have antennas in a neighborhood, he felt that customers were largely relegated to subscribing to Comcast. He expressed a need for a basic lifeline tier that would be in the \$13-\$14 range so that he would not have to pay \$30-\$40 per month. Similarly, the next person who participated also wanted a basic package with fewer channels and a lower cost. He wanted to address with Comcast what their current policy is with respect to bundling of cable service and Internet service. His experience was that unless both were retained after a few months, then the price would go up which upset him as a consumer.

The next speaker was there to support public access. Because her television reception is not good without cable, she felt that she was in effect being forced into taking service from Comcast. She wanted to know if there was another wireline cable provider who might provide service in Fort Collins. From her standpoint, neighborhood news and issues needed more coverage. She also wanted the City to be more forceful in its administrative and regulatory role.

The question was then raised whether the City could buy out Comcast's system in the City. Also, this participant wanted to know if the City could go into the cable business and expressed a need for the City to consider this alternative.

The next speaker was the General Manager of Comcast. He indicated that Comcast has been in Fort Collins for less than one year. He said that there have been many favorable developments and yet recognized that the speakers had issues with the cable company. Basically, his message was that he wanted people to give Comcast a chance since it is a relatively new provider of cable service in Fort Collins.

The meeting was taped by Channel 27. In the context of the needs ascertainment process, it will be shown several times on the cable system so that others who were not in attendance would have an opportunity to learn what took place during the meeting. Website information and the telephone call in line number were also provided to encourage viewers to provide input.

## Residential Mail-Out Survey

A random mail-out Community Survey was sent to approximately 3,000 households, with 420 residents responding. Of those who responded, the majority were female and the age range was diverse.

Sixty percent (60%) of those who responded subscribe to cable television service. Among those who do not subscribe, cost was cited as the key reason for not subscribing. Another key point expressed by nonsubscribers was the lack of a basic cable package option.

Of those cable subscribers who responded, 11% subscribe to digital cable services, and 16% are cable modem subscribers. Several respondents indicated an interest in programming that evidently is no longer available on the analog tier (for example, the History Channel and HGTV).

In terms of viewership of the Access Channels, Channel 27 has the highest viewership, followed by the School District and then CSU. The most watched programs on Channel 27 include the City Council meetings, *City at a Glance*, Larimer County Commission Meetings and the Planning and Zoning Board. Local access is the primary area where residents would like to see coverage grow. Governmental and educational access financial support was given a high or medium level of interest by 26% of the respondents.

With regard to renewal priorities, customer service, signal quality, the need for a basic package and improving the current variety of the cable package/channel offerings received quite a bit of interest. Regarding the respondents' overall perception of the cable company, 59% rated Comcast positively.

Finally, in open comments made by respondents, a number of the same concerns voiced earlier were again mentioned. These included, for example, the cost of cable service, a need for cable competition and the desire for a basic cable package offering.

## TECHNOLOGY WORKSHOP

There were a number of people in attendance during the Technology Workshop. Included were representatives from Utilities/IT, Community College/Media, CSU/IT, Engineering, School District/Channel 10, School District/IT, Office of Emergency Management, Channel 27 and the Library/IT.

One of the needs expressed was the critical importance of existing channels retaining their channel positions: Channel 10, Channel 25 and Channel 27. Additionally, there is some local origination programming carried on Channel 68 and another channel which is used for closed circuit training for the Fire Department.

Many people expressed the need for Comcast to cover the cost of equipment for making the transition from an analog to a digital format. In the view of some, the cable system needs more MHz, nodes and amplifiers. Enhancements are needed for digital PEG delivery mechanisms. Those in attendance also indicated a need for HDTV, interactive television (to cover City Meetings and educational initiatives), Internet protocol video (in packetized, video streaming or other formats) and additional programs on demand. Those in attendance want to see Comcast shift from home entertainment to also being the provider of home information.

There was a strong preference expressed for the City to negotiate for capacity and bandwidth, rather than just for PEG channels. The reason is that there was a concern that if the City were to receive channels that were less than 6 MHz, the City did not want to be relegated to a lesser amount of spectrum for government programming.

The City needs facilities and equipment to deliver the services desired by its residents. The City is moving toward an all digital production chain which would include video servers and the ability to archive and distribute programming in a digital format. Since Comcast also wants to move toward digital technology, it hopefully will understand the City's desire in this regard. Storage Area Networks could provide a library which could be readily drawn upon to send programming to interested viewers.

The technical people expressed a need for several types of I-Nets. They ranged from hybrid fiber coaxial systems to dark fiber infrastructure to targeted connections and point-to-point connections. Transport could be with a DOCSIS-based system. Connections could be made with laterals or dedicated links. The interconnected I-Net would become a private network backup to the network currently in place for government, schools and libraries. In addition to public safety applications, regional education and shared training could benefit Fort Collins residents.

From an additional needs standpoint, the School District has some outlying schools which need to be connected and added to the existing ring. Some believe that at least an 860 MHz system will be needed to meet the future needs and interests of the community.

Frustration was expressed by some of those in attendance. For 10 years, the Community College has been trying to have cable brought into its buildings. The Community College has four campuses which it would like to have tied together. The Community College in Fort Collins is a large provider of distance learning to other Community College campuses. The Community College also avails itself of services provided by American Telecasting. However, use of the Comcast cable system would provide for a more consistent ability to provide distance learning.

The School District articulated a need for information to be put on a server. Digital boxes could be provided for classrooms, and the cable system could then deliver these archived materials.

CSU wants dark fiber for increased speed. The Community College wants dark fiber as well. At the Community College, the underground run from Comcast's existing plant would be about 300 feet to the Media Center. The Community College is then willing to internally wire the system in order to provide cable television in the classrooms. At the Westminster Campus, the drop is provided at no charge. While the Community College presently does not have a need for its own channel, channel capacity needs to be made available to it.

## **ADDITIONAL OUTREACH EFFORTS**

### **Call-In Comment Line**

The City provided residents with the opportunity to call in to a designated telephone number and leave their comments regarding Comcast's cable television service in the City. Comments were received from October 28, 2003 - December 30, 2003.

A number of trends became evident in the course of reviewing those comments. Numerous individuals expressed dissatisfaction with Comcast's cable rates. That situation is magnified because cable subscribers in Fort Collins are unable to subscribe to a limited or reduced basic cable package. The consensus seemed to be that many subscribers are very unhappy with having to pay approximately \$40 per month for a basic cable package that includes a number of channels in which they have no interest. The callers want Comcast to offer a basic package with fewer channels at a much lower cost. Subscribers are increasingly becoming frustrated because such an offering is evidently available, either in other communities along the Front Range or in Denver.

Further subscriber complaints involved matters such as the high amount of cable rate increases, dissatisfaction with having to subscribe to the digital tier of cable service in order to receive the History Channel, a lack of competition and various customer service matters. Many of those who called seemed to think that the City should be able to control cable rates. Various respondents also indicated an interest in a-la-carte programming.

### **Letters from Residents**

As an additional part of the outreach effort, the City provided residents with the opportunity to send in their written comments to the City's IT Department. Predominant themes in the letters included the unavailability of a lower cost basic cable package (fewer channels at a lower cost) and the increasing cost of cable television service. Some of the respondents encouraged the City to either find a competitor to Comcast or somehow control the rate increases. Another recurrent theme was dissatisfaction with certain types of cable programming.

### **Online Survey**

The City offered people an opportunity to respond to an online cable survey. Over 200 people responded to the survey. The City tabulated the results of those responses. Several trends became evident in reviewing the City's summary of results. The majority of the respondents seemed satisfied with picture and sound quality of the cable system.

Approximately 62% of the respondents, though, were very dissatisfied (along with another 25% who were dissatisfied) with the cost of cable television service.

A majority of the respondents were satisfied with the friendliness and courtesy of customer service personnel. Overall, approximately 43% of the respondents rated the cable company's performance as fair, 30% regarded it as poor and another 30% rated the cable company's performance as good.

Forty percent (40%) of the respondents occasionally watch Channel 10. Forty-seven percent (47%) of the respondents occasionally watch Channel 27, and 46% of the respondents occasionally watch Channel 25.

Customer service seems to be a high priority renewal issue as perceived by a majority of the respondents. Furthermore, 68% of the respondents indicated a high level of interest (from a franchise renewal perspective) in having accessibility to a basic package with fewer channels at a lower cost.

With regard to open-ended comments, several matters were repeatedly mentioned. Respondents felt that the cost of the cable service was too high. There was a need articulated for more local access opportunities. Other respondents wanted the History Channel and HGTV to be added to the basic line-up. Others wanted to be able to pay for channels on an a-la-carte basis. Again, many respondents requested that Comcast offer a limited basic package of cable service.

### **Non-Profit Organizations**

When governments and the private sector downsize and consequently prior levels of resources and funding may not be available to meet the needs of diverse groups such as the elderly, unemployed and the undereducated, there is a significant strain on social and community service organizations (non-profits) to do more with less. Communications services can help assist these groups and fulfill their mission statements and goals.

Such organizations have a need to communicate efficiently and effectively in order to maximize time and limited resources. However, because of these same limited resources, they often are unable to procure the networks and services necessary to create the most efficient and effective communications architecture.



## **ACCESS PROGRAMMING AND FIBER**

### **Governmental Access**

The City has expended considerable time, effort and resources in developing Channel 27. Channel 27 won three awards last year. Two of the awards were from the Alliance for Community Media. Of those two awards, one was for overall excellence in governmental programming, and the other was for the best magazine program. The third award was received from 3CMA (City-County Communications and Marketing Association). That award is called a "SAVVY" Award and was for *Showcase Fort Collins* (the City's magazine program).

In terms of identified needs, certain items of equipment are in need of replacement now. The equipment utilized for producing and transmitting governmental access programming will age. Given the useful life of certain types of equipment, new equipment which meets the state-of-the-art is needed now and in the future. Significant capital dollars are necessary to enhance and replace equipment and facilities in order to meet the current and future governmental access needs of the community.

With regard to an additional matter, the City would like to have Comcast provide the use of one of its satellite dishes so that the City can downlink programming (i.e., training via satellite) for distribution over Channel 27 or on Channel 96 (the City's internal training channel).

### **Public Access**

According to Comcast's channel line-up, local access programming is to be carried on Channel 68. Comcast is currently renovating a studio for Public Access programming. As noted before, questions have been raised as to whether or not Comcast is in compliance with the Public Access provisions which are found in the current Franchise Agreement.

Proponents of Public Access have identified numerous matters that they want addressed including, but not limited to, the studio, Channel, equipment and funding.

### **Fiber Links**

Other identified needs include extending PRPA's fiber optic network to locations to be designated by the City. The transmission of video, voice and data over the fiber optic

network could be key in order to meet the City's needs during the next franchise term. Connectivity among the City and other jurisdictions would also be of great benefit to City government, schools and public safety agencies. Funding may be needed to provide fiber to certain locations, as well as terminal interface equipment. Future network applications may include enhanced uses of the Internet and on-demand videostreaming.

## **REGIONAL COMMUNICATIONS STRATEGY**

As Comcast is the principal provider of cable services along the Front Range, opportunities for regionalization may exist. There is an opportunity among cities to improve the delivery of services and further relationships between local governments and their residents. By working together, local governments can build upon available resources and create efficiencies of operation. In that regard, the City may have an interest in regional broadband applications (i.e., voice, video and data) with neighboring communities.

There are economies of scale which could be gained by utilizing existing communications infrastructure. One of the challenges will be to develop a strategy of regionalization which works for the cities and Comcast. One would hope that the cable company would be willing to look at the possibility of interconnecting not only its individual cable systems, but also I-Nets as well, so that cities and schools could build upon existing technology. For instance, given the current heightened sense of interest in homeland security issues, regional interconnection could provide additional critical links for law enforcement personnel. Another example would be that teachers and students could benefit greatly from distance learning that could cross municipal boundaries.

Given the synergies between the City's vision and Comcast's infrastructure, one would think that there would be several commonalities of interest. As a regional cable/fiber optic infrastructure continues to evolve, perhaps there could be cost savings for cities and a business opportunity for Comcast.

Local governments have traditionally focused their efforts on providing services to their constituents within their municipal boundaries. Given the changes in mindset that have occurred in this country after September 11, 2001, it still remains an opportune time for the City and Comcast to explore regional communications applications.

## **SUMMARY OF OTHER FRANCHISES**

### **Introduction**

To assist in the needs assessment and evaluation of cable services and funding, the following information is provided to facilitate the analysis. It should be noted that franchises in other jurisdictions are the result of detailed negotiations involving a wide range of complex issues. Therefore, the outcome of any one category must be viewed in the context of an entire document. Also, communities vary greatly in terms of demographics, economic conditions and priorities.

In order to provide a wide spectrum for comparative purposes, the following franchises have been selected for inclusion in this report. The requirements for facilities, equipment, dedicated return lines and I-Nets are often detailed in franchises. The dollar allocations among PEG Access participants are often determined by cities in a format which is not readily apparent from the text of franchises. However, the summaries herein provide useful information in the overall context of developing renewal positions.

Comcast's cable operations are headquartered in the Philadelphia area. Comcast serves in excess of 21,000,000 subscribers nationwide. The size of the communities served varies from small rural communities, to mid-size cities, to large metropolitan areas. Accordingly, the franchise requirements also vary widely depending upon the size of the respective subscriber base.

For purposes of this report, we have summarized various portions of several cable television franchises. As would be expected, there is a wide variation in franchise provisions dealing with subjects such as the franchise term, system upgrade requirements, PEG Access channel capacity requirements, funding and ancillary facilities.

### ***Longmont***

AT&T Broadband of Northern Colorado II, LLC ("AT&T Broadband"), and Longmont entered into a Cable Franchise Agreement which was effective May 25, 2002. Longmont's population is approximately 71,000. The Franchise is nonexclusive and runs for a term of five (5) years.

The Franchise contains a broad definition of gross revenues. The Franchise also makes specific reference to a Declaratory Ruling and Notice of Proposed Rulemaking which was released on March 15, 2002, wherein the FCC stated that cable modem service is not a cable service. The Franchise provides that if that FCC Ruling is modified in a final, non-appealable decision by the FCC or a court of competent jurisdiction (to the extent that cable modem service is determined to be a cable service within the jurisdiction of a local

franchising authority), then cable modem service revenue may be included in the definition of gross revenues for the purpose of this Franchise.

AT&T Broadband shall pay as a franchise fee to Longmont throughout the duration of this Franchise an amount equal to five percent (5%) of its gross revenues. Franchise fee payments shall be made on a quarterly basis. On an annual basis and on the giving of thirty (30) days prior written notice, Longmont has the right to audit AT&T Broadband's records reasonably related to the administration or enforcement of the Franchise in accordance with GAAP. If the franchise fees have been underpaid by four percent (4%) or more, AT&T Broadband shall pay for the total cost of the audit (such cost not to exceed \$5,000 for each year of the audit period). In the event any quarterly payment is not timely made, AT&T Broadband shall pay interest on the amount due at the prime rate as listed in *The Wall Street Journal*, compounded daily until the date Longmont receives the payment. If a net franchise fee underpayment is identified (as a result of an audit), AT&T Broadband will be assessed damages and interest on the underpayment at the rate of eight percent (8%) per annum compounded quarterly, calculated from the date each portion of the underpayment was originally due until the date AT&T Broadband remits payment to Longmont.

Either Longmont or AT&T Broadband may at any time seek an amendment to the Franchise by notifying the other party in writing. Within thirty (30) days of receipt of the notice, the parties shall meet to discuss the proposed amendment(s), and if the parties reach a mutual agreement on the proposed amendment(s), such amendment(s) shall be submitted to the City Council for approval. If approved by the City Council, such amendment(s) shall be deemed part of the Franchise; provided, however, that if mutual agreement is not reached, there will be no amendment(s).

The Franchise contains indemnification and insurance requirements. For example, AT&T Broadband must maintain in full force and effect at its own cost and expense commercial general liability insurance with limits of no less than \$2,000,000 per occurrence and \$5,000,000 general aggregate.

AT&T Broadband shall establish and provide to Longmont a letter of credit in the amount of \$50,000. The letter of credit shall be maintained at that amount, provided that once every three (3) years, Longmont shall also have the right to increase that amount to reflect increases in the Denver-Boulder-Greeley Metropolitan Area Consumer Price Index during the prior three (3) year period.

Upon reasonable advance notice, but not more than twice per calendar year, AT&T Broadband will provide Longmont with an insert space on subscribers' cable television bills. Longmont is responsible for the content and printing cost of the insert(s) and for the cost of shipping the printed inserts to AT&T Broadband's billing agent. Longmont shall only pay incremental mailing costs if the insert results in an increase to the standard

mailing costs. AT&T Broadband shall also use reasonable efforts to accommodate Longmont's requests for the placement of messages on billing statements at no cost to Longmont.

AT&T Broadband has established a voluntary initiative to provide Cable Internet Service to all state accredited public schools (K-12) and public libraries when those institutions are passed by the upgraded cable system at no cost to Longmont or other entities. AT&T Broadband intends to provide each of those schools and libraries with one outlet of Internet access including the necessary cable modems.

AT&T Broadband shall collect and provide to Longmont up to 75 cents per month per residential subscriber for Access or I-Net capital. Longmont shall give AT&T Broadband at least ninety (90) days advance written notice, indicating subscribers' willingness to pay that fee and AT&T Broadband's obligation to begin such payments to Longmont, including the monthly amount to be collected.

As of the effective date of the Franchise, AT&T Broadband shall make available three (3) access channels (one each for public access, educational access and government access). AT&T Broadband will use its best efforts to minimize the movement of access channel assignments. Longmont's public access channel is on Channel 3.

The Franchise contains I-Net provisions. The I-Net is a private communications network that is governed by the Franchise and Cable Act. The I-Net is currently in use in Longmont. The I-Net may be used by Longmont and any Qualified I-Net User to provide any technically and legally compatible, non-commercial service.

AT&T Broadband shall upgrade the cable system within three (3) years of the Franchise's effective date. The upgraded system shall be two-way capable throughout the franchise area. The cable system shall be capable of supporting video, audio and data transmissions.

Longmont encourages AT&T Broadband to use reasonable efforts to utilize qualified local contractors. This includes minority business enterprises and woman business enterprises certified by Longmont.

### ***Denver***

The City and County of Denver ("Denver") submitted to a vote of the people a Franchise Agreement with Mile Hi Cable Partners, L.P. (d/b/a AT&T) in November, 1999. The Franchise was approved by the electorate and became effective January 1, 2000. The Franchise is a non-exclusive Franchise and runs for a term of ten (10) years. The Franchise can be extended for an additional five (5) years if AT&T successfully completes its cable system upgrade within three (3) years.

The Franchise contains an expansive definition of gross revenues, upon which franchise fees are calculated. AT&T is to remit to Denver on a quarterly basis 5% of its gross revenues which are derived in conjunction with the operation of the cable system.

The Franchise does not authorize AT&T to provide telecommunications service (as compared with cable service) or to operate or maintain telecommunications facilities. The Franchise does not relieve AT&T of any obligation it may have to obtain from Denver an authorization to provide telecommunications service or to maintain telecommunications facilities.

On an annual basis, upon the giving of thirty (30) days notice, Denver shall have the right to conduct an audit of AT&T's records related to this Franchise in accordance with GAAP. If the audit indicates that franchise fee payments have been underpaid by 1% or more, AT&T shall pay for the total cost of the audit (such cost not to exceed \$5,000 for each year of the audit period). Denver's right to audit and AT&T's obligation to retain records related to franchise fees shall expire three (3) years after each franchise fee payment has been made to Denver.

In the event any quarterly payment is not timely received by Denver (i.e., a late payment), AT&T shall pay interest at the prime rate as listed in *The Wall Street Journal*, compounded daily until Denver receives the payment. Additionally, if a net franchise fee underpayment is discovered as the result of an audit, AT&T will be assessed damages and interest pursuant to Denver's Charter, provided that Denver will give at least ten (10) days written notice before invoking the Charter.

The Franchise contains indemnification and insurance provisions to protect Denver. For example, insurance obtained by AT&T shall be placed with insurers with a Best's rating of no less than "A VIII".

As additional security, AT&T shall provide a letter of credit from a financial institution satisfactory to Denver in the amount of \$100,000. The letter of credit shall be maintained at this amount, provided that every three (3) years, Denver also has the right to increase that amount to reflect increases in the Denver metropolitan area Consumer Price Index during the prior three (3) year period.

Additionally, AT&T shall provide a payment and performance bond to ensure its faithful performance of its responsibilities under the Franchise and applicable law. The amount of the bond(s) shall be \$1,000,000. AT&T may also be required to obtain additional bonds in accordance with Denver's ordinary practices.

Denver previously adopted a detailed set of Customer Service Standards. Those Standards provide monetary credits for customers which vary, depending upon the customer service infraction which is at issue.

AT&T has established a voluntary initiative to provide cable Internet service to all accredited public and private schools (K-12) and public libraries which are passed by its cable system at no cost to Denver or other institutions. AT&T intends to provide each of these schools and libraries with one (1) outlet of unlimited Internet access, including the necessary cable modem.

The Denver Franchise contains a detailed schedule of Access payments to be made by AT&T, some of which are intended to be in satisfaction of and in lieu of payments in support of community programming which were to be made under a prior franchise. The payments in total amount to \$2,170,000 and are to be made annually, commencing on or before January 31, 2000, and ending on or before January 31, 2004.

Furthermore, AT&T was to provide initial capital grants for Access or I-Net purposes to Denver in the amount of \$2,875,000, commencing on or before January 31, 2000, and ending on or before January 31, 2002. AT&T may recover the foregoing capital grants over a one (1) year period or more, in accordance with applicable federal rate regulations.

Starting with the June, 2002, billing cycles, AT&T was to collect and provide to Denver up to 63 cents per month per residential subscriber for Access or I-Net capital, and beginning with the June, 2004, billing cycles, AT&T shall collect and provide to Denver up to 87 cents per month per residential subscriber. Starting with the June, 2005, billing cycles, AT&T shall collect and provide up to \$1.00 per month per residential subscriber. Denver is required to give AT&T at least ninety (90) days advance written notice of AT&T's obligation to begin payment of the monthly amounts. Payments are due within thirty (30) days following the end of a quarter from when the capital contribution takes effect. Denver may annually adjust the amount of the capital contribution up to the maximum amount specified, provided that AT&T is given ninety (90) days advance written notice.

AT&T shall provide, at its expense, eight (8) downstream Access channels. The Access channel allocation is as follows: three (3) Public Access channels, one (1) K-12 Educational Access channel, one (1) higher education Access channel, two (2) Government Access channels and one (1) unassigned Access channel. As of the effective date of the Franchise, two (2) of the Public, Educational and Government Access channels shall be activated, for a total of six (6) initially. Furthermore, subject to the satisfaction of certain criteria, Denver may require AT&T to activate, at AT&T's expense, up to two (2) additional downstream Access channels, for a maximum of ten (10) Access channels.



Upon request by Denver, AT&T will include information about Access programming in its installation packet that is provided to subscribers. Denver shall supply the materials for insertion in the packet in a format that is consistent with AT&T's requirements.

The Franchise contains detailed provisions regarding the construction and operation of an Institutional Network ("I-Net"). The I-Net is a private communications network that is to be governed by the Franchise and Cable Acts. The I-Net sections contain detailed cost allocation criteria between and among the affected parties.

The I-Net may be used by Denver and any other qualified I-Net user to provide non-commercial services. Qualified I-Net users include Denver and its agencies (including, without limitation the Denver Zoological Gardens, the Denver Botanic Gardens, the Colorado Museum of History, the Denver Health Medical Center, the Water Board and the Denver Performing Arts Complex), other governments and their agencies, public libraries and all state accredited public schools.

Contemplated uses of the I-Net include, by way of example and not limitation, high speed transmission of GIS and other data to and from City departments and other qualified I-Net users, transmitting live and stored instructional materials for distance learning and staff training purposes, and providing videoconferencing among municipal and educational locations and to other locations for municipal and educational purposes.

AT&T shall activate the cable system bandwidth to 750 MHz and provide activated two-way capability throughout Denver within four (4) years. As previously indicated, if the cable system upgrade was completed earlier (within three [3] years), then the initial term of the Franchise was to be extended.

AT&T shall, at no cost to Denver, continue to provide one (1) outlet of Basic and Expanded Basic Service to all City-owned and occupied buildings, schools and public libraries where such service is provided as of the Franchise's effective date. Schools, in this instance, include all state accredited public and private schools (K-12). Furthermore, AT&T shall provide, at no cost to Denver or other entities, one outlet of Basic and Expanded Basic Service to additional owned or leased and occupied City buildings, schools and libraries, upon request, if the drop line does not exceed 150 feet, or if Denver or the other entity agrees to pay the incremental cost in excess of 150 feet, including the cost of excess labor and materials.

The Franchise contains procedures for remedying Franchise violations. The Franchise also contains liquidated damage provisions. For example, Denver may assess AT&T monetary damages that range from \$2,000 per day for material cable system upgrade delays to \$250 per day for any other material breaches or defaults. The Denver Franchise contains numerous other sections. For example, AT&T will use reasonable efforts to utilize qualified local contractors, including minority business enterprises and

woman business enterprises which are certified by Denver. Additionally, AT&T intends to continue its voluntary initiative of providing up to 15 scholarships per year (\$1,000 each) for students studying the field of communications. The performance of the franchisee shall be guaranteed in all respects by TCI Central, Inc. Any substitute guarantor is subject to approval by Denver, which approval shall not be unreasonably withheld.

### ***Everett, Washington***

In July, 2002, the City of Everett ("Everett") entered into a Franchise with Everett Cablevision, Inc., d/b/a AT&T Broadband. The Franchise includes a comprehensive definition of gross revenues upon which the 5% franchise fee is based. Revenue from cable Internet service may be included in the gross revenue definition to the extent that service is someday considered a cable service under federal law, or under state law if so authorized by federal law. At the present time, the FCC does not regard cable modem service as a cable service.

The Franchise gives AT&T Broadband nonexclusive authorization to use the rights-of-way for the purpose of operating a cable system. The initial term of the Franchise was for ten (10) years and was extended, contingent upon the timely completion of the cable system upgrade. As the cable system upgrade was completed within eighteen (18) months of the Franchise's effective date, the Franchise was extended for two (2) years. Had the system upgrade been finished later (within twenty-four [24] months), the Franchise would have been extended for one (1) year.

AT&T Broadband's franchise fee payments to Everett are payable quarterly. In the event a quarterly payment is not timely made, interest will accrue on the amount due at the prime rate as listed in *The Wall Street Journal*, compounded daily until payment is received.

Everett may hold performance evaluation sessions during years three (3) and six (6) of the Franchise. Special evaluation sessions may be held at any time, and all evaluation sessions are open to the public. Topics which may be discussed at an evaluation session include, but are not limited to, rates, new technologies, cable system performance and cable services offered.

The Franchise includes indemnification and insurance provisions. Further, if there is an uncured breach by AT&T Broadband of a material provision of the Franchise or a pattern of repeated violations, then Everett may request and AT&T Broadband shall furnish a \$25,000 letter of credit. Additionally, upon commencement of the cable system upgrade, AT&T Broadband was to provide a \$250,000 construction bond. The bond was to remain in place until the cable system upgrade was completed to the reasonable satisfaction of the City and necessary restoration of public and private property shall have occurred.

AT&T Broadband is required to comply with separate Customer Service Standards that have been adopted by Everett. AT&T Broadband reserves the right to challenge any customer service ordinance which it believes is inconsistent with the Franchise.

AT&T Broadband was required to provide a \$300,000 capital contribution payment for access or I-Net purposes. After recouping the advanced funds at the rate of \$1.00 per residential subscriber per month, AT&T Broadband will then remit the \$1.00 per month to Everett from its residential subscribers no less often than quarterly.

Initially, AT&T Broadband will provide two (2) access channels (one for Educational and one for Governmental Access purposes). Upon completion of the cable system upgrade, AT&T Broadband was required to activate up to six (6) additional access channels. All access channels will be included as part of AT&T Broadband's Basic Service.

AT&T Broadband will continuously maintain, at its expense, return lines to the headend from the demarcation points at City Hall and the Parks Department's headquarters in order to facilitate the distribution of access programming. Additionally, AT&T Broadband will provide routine maintenance and repair and replace all of its transmission equipment as necessary to carry a quality signal from access facilities to subscribers.

When AT&T Broadband offers cable Internet service to subscribers in Everett, and if and when cable Internet service is considered to be a cable service under applicable law, AT&T Broadband will offer, at its expense, residential high speed cable Internet service to one (1) outlet in each school and public library. The user facility will be responsible for providing personal computers to access such service.

In the event that Everett has a future interest in placing ducts or conduits in the right-of-way, the Franchise provides that AT&T Broadband shall provide Everett with additional ducts or conduits and related structures necessary to access the conduit, provided that Everett enters into a contract with AT&T Broadband consistent with RCW 80.36.150. The contract rates will be intended to recover the incremental costs of AT&T Broadband. However, if Everett makes its additional duct or conduit and related structures available to another entity for the purpose of providing cable or telecommunications service for sale to the general public, then AT&T Broadband will be entitled to recover its fully allocated costs.

When or before AT&T Broadband applies for a permit for any such construction, the cable company shall notify Everett of the incremental and fully allocated costs of providing Everett with such ducts and conduits. If the parties disagree regarding those proposed figures, they will attempt to negotiate a solution, and if such cannot be reached, Everett may order AT&T Broadband to proceed with the work and a court shall determine the applicable amount of incremental and fully allocated costs.

AT&T Broadband was required to upgrade and activate the cable system bandwidth to at least 750 MHz and provide two-way capability throughout its cable system within thirty-six (36) months. AT&T Broadband planned on deploying fiber optics to nodes that serve no more than 1,200 homes per node. If AT&T Broadband had failed to complete the upgrade of the cable system within thirty-six (36) months, then the initial ten (10) year term could have been reduced at Everett's discretion by up to two (2) years.

AT&T Broadband will use its best efforts to ensure that the cable services which are provided in Everett are reasonably comparable to those provided in other similarly situated cable systems (both regionally and nationally). If comparable cable services are not being offered in Everett, AT&T Broadband shall be responsible for generally offering such cable services expeditiously and as soon as economically practical.

In the Franchise, AT&T Broadband has agreed to provide without charge one (1) outlet of Basic and Expanded Basic Service to all existing City-owned (or leased) and occupied buildings, fire stations, police stations, schools and public libraries in Everett if such locations are currently receiving cable service, or to other such locations if they are within 125 feet of the cable system. Furthermore, the cable company shall provide, at no cost to Everett or other entity, one (1) outlet of Basic and Expanded Basic Service to future owned (or leased) and occupied City buildings, fire stations, police stations, schools and public libraries (upon request) if the drop line does not exceed 125 feet. Alternatively, Everett or the other entity can agree to pay the incremental cost of the drop line in excess of 125 feet.

The Franchise contains procedures for remedying non-material Franchise violations and material breaches. Subject to the giving of notice and a right to cure, Everett may invoke remedies such as Franchise revocation or the imposition of liquidated damages. Liquidated damage amounts ranged from \$1,000 per day for failure to timely complete the cable system upgrade to \$50 per day for failure to provide reports or notices as required by the Franchise.

The Franchise contains numerous other sections as well. For example, if an action or suit arises in connection with the Franchise, the prevailing party is entitled to recover all of its reasonable attorneys' fees, costs and expenses in connection therewith, in addition to such other relief as a court may deem proper. The performance of the franchisee was to be guaranteed in all respects by TCI Pacific Communications, Inc. A signed guarantee, in a form acceptable to Everett, was to be filed with Everett, contemporaneous with the Franchise's effective date.

### ***Marysville, Washington***

In October, 2003, the City of Marysville ("Marysville") entered into a Cable Television Franchise ("Franchise") with Comcast of California/Colorado/Texas/Washington, Inc.

(formerly known as Tele-Vue Systems, Inc.) and Comcast of Washington IV, Inc. (formerly known as TCI Cablevision of Washington, Inc.), collectively known as Comcast. Marysville granted to Comcast a nonexclusive and revocable authorization to make use of the rights-of-way within Marysville to construct, operate, maintain, reconstruct and upgrade the cable system for the purpose of providing cable services. The term of the Franchise was for eight (8) years, subject to a possible term extension or reduction.

Comcast is to pay as a franchise fee to Marysville an amount equal to five percent (5%) of Comcast's gross revenues. Each franchise fee payment is due and payable no later than thirty (30) days after the end of a preceding quarter. The period for recovery of franchise fees is limited to six (6) years from the date on which payment by Comcast was due. On an annual basis, upon thirty (30) days prior written notice, Marysville has the right to conduct an independent audit of Comcast's records. If Comcast cooperates in making the relevant records available to Marysville, then Marysville will attempt to complete the audit within six (6) months, and the audit period shall not be any greater than the previous six (6) years. If the audit shows that franchise fees have been underpaid by five percent (5%) in a calendar year or more, then Comcast shall pay for the cost of the audit, up to \$10,000 for each year of the audit period.

Evaluation sessions may be held upon request by Marysville not more frequently than once a year. All evaluation sessions are open to the public and shall be announced by Marysville at least two (2) weeks in advance in a newspaper of general circulation in Marysville. Topics of discussion at an evaluation session include, but are not limited to, cable service rates, system performance and customer complaints.

The Franchise contains indemnification and insurance requirements. The Franchise also contains requirements relative to a letter of credit. In particular, if there is an uncured breach by Comcast of a material provision of the Franchise or a pattern of repeated violations of any provision(s) of the Franchise, then Marysville may request and Comcast shall provide a \$10,000 letter of credit from a financial institution satisfactory to Marysville. Within thirty (30) days following notice that a withdrawal has occurred from the letter of credit, Comcast shall restore the letter of credit to the \$10,000 amount.

Upon commencement of the cable system upgrade, Comcast was required to comply with the bonding requirements provided for in the Marysville Municipal Code. Comcast may be required to obtain other additional bonds in accordance with Marysville's ordinary practices.

Comcast must comply with the Customer Service Standards as the same may be adopted and amended from time to time by the Marysville City Council. Comcast reserves the right to challenge any Customer Service Standards that it believes are inconsistent with its contractual rights granted under the Franchise.

Comcast established a voluntary initiative to provide Cable Internet Service to all state-accredited K-12 schools and public libraries that are passed within 125 feet of its cable system (at no cost to Marysville or the affected institutions). Comcast intends to provide, at its expense, each of these schools and libraries with one (1) outlet of unlimited Internet access, including the necessary cable modem.

Upon the effective date of the Franchise, Comcast was to make available at its expense one (1) Governmental Access Channel for use by Marysville and one (1) Educational Access Channel for use by the Marysville School District. Upon completion of its cable system upgrade, Comcast shall carry all other available regional Access Channels in Snohomish County as part of the upgraded channel line-up. Furthermore, Marysville may require Comcast to make available at no charge two (2) additional Access Channels (one each for Governmental and Educational Access) subject to the trigger mechanisms contained in the Franchise.

Not later than forty-five (45) days after adoption of the Franchise, Comcast was to pay Marysville an \$88,000 capital advance for access and/or I-Net purposes. Additionally, at the beginning of year two of the Franchise, Comcast shall pay Marysville another \$88,000 capital advance. These capital grants are advance payments of the monthly capital contribution from subscribers which shall initially be \$1.00 per subscriber per month.

Pursuant to the Franchise, the cable systems were to be upgraded within thirty-six (36) months from the effective date of the Franchise. Comcast has already completed its cable system upgrade in Marysville. As such, Comcast was entitled to receive a three (3) year term extension because the cable system upgrade was timely completed within twelve (12) months of the Franchise's effective date. It should be noted that had Comcast not completed the cable system upgrade within thirty-six (36) months of the Franchise's effective date, then the initial eight (8) year term could have been reduced at Marysville's discretion by up to two (2) years.

The Franchise contains detailed provisions regarding the construction of an I-Net. An I-Net Maintenance Agreement, which further delineates I-Net responsibilities between the parties, is attached as an exhibit to the Franchise. In addition to the I-Net, the Franchise contains provisions relative to Comcast's furnishing, at its expense, within six (6) months of receipt of a written request from Marysville, a closed circuit, scrambled, encoded digital channel which would be used for city purposes.

Included in the Franchise are revocation provisions and a liquidated damages section. Subject to Marysville's giving written notice to Comcast and a thirty (30) day right to cure period, Marysville may assess against Comcast monetary damages ranging from \$50 per day to \$1,000 per day, depending upon the nature of the alleged violation.

There are numerous other provisions in the Franchise as well. For example, venue for any dispute related to the Franchise shall be in Snohomish County Superior Court in Everett. In addition, if any action or suit arises in connection with the Franchise, the prevailing or substantially prevailing party (either Marysville or Comcast, as the case may be) shall be entitled to recover all of its reasonable attorneys' fees, costs and expenses in connection therewith, in addition to such other relief as the court may deem proper.

### ***Anne Arundel County, Maryland***

During the year 2000, Anne Arundel County, Maryland, entered into a Franchise Agreement with Comcast Cablevision of Maryland, Inc. Gross revenues is broadly defined to mean any and all cash or other consideration of any kind, and which constitutes revenues in accordance with generally accepted accounting principles, that are derived from the operation of Comcast's cable system to provide cable services in the County or any other entity that receives such revenue. That definition includes revenues from Internet services, if such are considered to be cable services under applicable law.

The term of the Franchise shall run through August 19, 2006. The Franchise Agreement is nonexclusive. The franchise area includes all unincorporated portions of the County (excluding any portions of the County covered by franchises granted by other franchising authorities).

As compensation for the use of the rights-of-way, Comcast shall pay to the County quarterly a franchise fee of 5% of gross revenues. Such payments are due no later than 30 days following the end of each calendar quarter. If a franchise fee payment is not timely made, Comcast shall pay interest at an annual rate equal to the commercial prime interest rate of the County's primary depository bank.

The Franchise Agreement provides for insurance requirements. As part of that insurance coverage, Comcast is required to provide comprehensive general liability insurance (including property damage and general liability in the amount of \$1,000,000 per occurrence with an umbrella of \$10,000,000).

Comcast shall complete its cable system upgrade within three (3) years after the date of the County Council's Ordinance renewing Comcast's Franchise. The timely completion of the upgrade is a material requirement of the Franchise, and time is of the essence in completing the upgrade as scheduled. Damages for construction or upgrade-related delays are \$500 per day.

The Franchise Agreement provides that the upgraded system shall have a minimum activated bandwidth of 860 MHz. Comcast will build all nodes to be rated for at least 860 MHz. All passives will be replaced and be rated for at least 1 GHz. The entire system

needs to be technically capable of transmitting NTSC analog, compressed digital and HDTV transmissions.

Comcast shall make available at least two (2) PEG Access video channels until the system upgrade is completed and, after that time, a total of at least four (4) PEG Access video channels. In addition, Comcast shall make one (1) Access channel available solely within Heritage Harbour for PEG use by Heritage Harbour. This additional Access channel is to be carried in place of a non-Access channel carried elsewhere on the system.

No later than thirty (30) days after the Franchise Agreement's effective date, Comcast shall provide a capital grant to the County of \$5,000,000 to be used by the County for PEG Access equipment and Institutional Network equipment, or for PEG-related facilities renovation. Comcast expressed its intent to pass through such capital grant to subscribers and itemize such costs on subscribers' bills.

The Franchise Agreement provides very detailed provisions regarding the construction and operation of an Institutional Network ("I-Net"). The I-Net is to be paid for by the County and will link public, educational and governmental facilities in the County. The I-Net shall not be used for commercial purposes.

Comcast shall maintain a performance bond in favor of the County in the amount of \$5,000,000 to ensure its faithful performance of its obligations. Once the system upgrade is completed, the bond shall be reduced to \$500,000. Comcast shall also maintain an irrevocable letter of credit, from a financial institution licensed to do business in Maryland, in the amount of \$20,000.

The Franchise Agreement contains an extensive list of liquidated damage amounts which vary, depending upon the type of violation. Liquidated damage amounts shall be increased each year by the increase in the U.S. city average Consumer Price Index.

### ***Charles County, Maryland***

Charles County, Maryland and Comcast Cablevision of Maryland, Inc., entered into a Cable Television Franchise Agreement in 2002. The term of the Franchise is fifteen (15) years. The Franchise is nonexclusive.

The cable system shall have a minimum bandwidth of 860 MHz for all active components and one GHz for all passive components. Fiber optic node size shall be no more than 1200 homes per node. There shall be no more than seven (7) active components in a cascade from any node on the system. The system shall also be two-way activated.



With regard to the Access Channels, Comcast shall provide four (4) video channels for Public, Educational and Governmental Access use as determined by the County. By December 31, 2002, Comcast was to also provide two (2) digital access channels for the purpose of training. Those two (2) channels shall be encoded or encrypted at specified addresses. Comcast shall also make available all necessary scrambling, video compression or other equipment at the headend to provide the two (2) digital access channels to all specified sites. Comcast shall also provide any equipment necessary to view such channels at such sites. The aforementioned training channels and equipment shall be provided without cost to the County or any user.

Comcast shall provide capital grants to the County of one percent (1%) of its gross revenues for PEG access equipment and facilities and I-Net equipment. In addition to the foregoing capital grants, Comcast shall provide a one-time capital grant of \$250,000 for an access studio. Comcast shall provide this grant within thirty (30) days after notice from the County, which the County may give after funding for the access studio appears in the County's capital budget and the design process has been initiated. The access studio shall include prominent signage that recognizes Comcast's contribution. Comcast has the option of using the public access studio one day a month for production of public service announcements and similar brief programs. Comcast shall make the appropriate efforts to provide educational opportunities for students and/or access channel personnel to observe production activities.

The Franchise contains detailed I-Net construction provisions and requirements. The I-Net is intended to support fully interactive video, data and voice signals.

Comcast shall maintain during the term of the Franchise (except as otherwise provided in the Cable Ordinance) a performance bond in the County's favor in the amount of \$1,000,000. Comcast shall restore the bond to its original level within thirty (30) days after any amount has been paid to the County from the bond. Upon acceptance by the County of all of the I-Net sites, the bond will be reduced to \$500,000. Comcast shall also maintain with the County an irrevocable letter of credit in the amount of \$20,000. Comcast agrees to restore the letter of credit to its original amount within thirty (30) days after any amount has been paid to the County (from the letter of credit).

The Franchise contains liquidated damages provisions. Liquidated damages range from \$50 per occurrence to \$500 per day, depending upon the nature of the alleged violation. The liquidated damage amounts are in Year 2000 dollars and shall be increased each year by the increase in the Federal Bureau of Labor Statistics Consumer Price Index (CPI-U) for the Washington-Baltimore, District of Columbia, Maryland, Virginia and West Virginia area.

## **Overview of Franchises**

In summary, franchise commitments made by Comcast or its predecessors throughout the United States are, in some instances, detailed and significant. Considerable capital support has been provided to cities in the context of franchise renewals.

## **CONCLUSION**

It is our hope that the City, CSU, Community College, School District, public schools (K-12), Fort Collins residents and other affected communities of interest will have increased opportunities to utilize the cable system. The diverse communities of interest have the potential to benefit from enhanced utilization of the cable system for traditional and other purposes as well.