

# Cable Television Franchise

City of SeaTac and Comcast

Public Hearing  
October 8, 2013



## Goals

- Background
- Summary of Proposed Franchise
- Summary of Fiber Use Agreement
- Schedule & Next Steps



## Background

- 1996: City granted 10 year, non-exclusive franchise to Comcast's predecessor (TCI), which was subsequently transferred to Comcast
- 2004: City granted 5 year extension and authorized \$.25/subscriber/mo. pass-through fee to fund purchase of equipment to launch SeaTV



## Franchise Summary

- Allows Comcast to continue to provide non-exclusive cable services within city for 10 years
- Requires Comcast to meet a variety of provisions
  - Consistent with prior franchise
  - New or substantially revised from prior franchise



# Franchise Summary

## **Consistent with Prior Franchise**

- Franchise Fees
  - Comcast to pay City 5% of gross revenues
  - Paid approximately \$265,000 in 2012
- Rate Regulation
  - City does not have authority to regulate rates
  - All rates, fees and charges must follow federal laws
  - Customers must be notified of all rate adjustments as per Federal Communications Commission (FCC) regulations



# Franchise Summary

## Consistent with Prior Franchise

- Low Income Discount
  - Available to individuals who are low income (according to federal guidelines) **and** either permanently disabled **or** 65+ years of age
  - 30% off Basic Service or Basic Service portion of enhanced packages
- Access Channels
  - Provide a government access channel (SeaTV – programmed by City), education access channel and public access channel



# Franchise Summary

## **Consistent with Prior Franchise**

- Restoration of property
  - If any public property is impacted during construction or maintenance of cable system, Comcast will restore property to equal or better condition at Comcast's cost
- Movement of Cable System Facilities
  - City has right to require Comcast to relocate any part of system located in ROW to accommodate a City project or address a public health or safety issue at Comcast's cost



## Franchise Summary

### **Consistent with Prior Franchise**

- Technical Performance
  - Shall meet or exceed all federal technical standards
- Service Availability
  - Service will be made available throughout the city





# Franchise Summary

## **New or Substantially Revised**

- Insurance Requirements (revised)
  - Increases coverage for personal injury and property damage
  - No change to overall per accident limits
- Bonds (new)
  - Comcast to provide a \$250,000 performance bond to ensure payment of fees/taxes and completion of repairs in right-of-way



# Franchise Summary

## **New or Substantially Revised**

- Customer Service Standards (new)
  - Comply with FCC customer service requirements
  - Address basic issues: customer service telephone availability, installation of cable services, outages and service appointments
  - City has authority to enforce standards and responds to resident concerns as needed
- Subscriber Privacy (new)
  - Comply with privacy rights in accordance with federal, state and local laws



# Franchise Summary

## **New or Substantially Revised**

- Access Capital Contribution (revised)
  - Reduce monthly subscriber equipment fee from \$.25 to \$.03
  - Future equipment needs adequately covered by fund balance (\$39,000) and lower fee (generate \$1,860 annually)
- Movement of Facilities during Emergencies (new)
  - If it is necessary to move Comcast facilities during an emergency, City will notify Comcast
  - If there is no immediate response from Comcast, City may move facilities and bill Comcast for the cost



# Franchise Summary

## **New or Substantially Revised**

- One Call (new)
  - Comcast will participate in the call before you dig program required under state law
- Movement of Cable System Facilities for Others (new)
  - If any change to the cable system is required to accommodate a capital project for an entity other than the City, Comcast will make the necessary changes so long as the other party covers Comcast's time and material costs



# Franchise Summary

## **New or Substantially Revised**

- Poles & Undergrounding (revised)
  - If all electric and telephone utility wires in an area are undergrounded, Comcast will underground at its expense
  - If utility wires are both aerial and underground in any area, Comcast can choose whether to maintain system aerially or underground
  - If wires are all aerial in an area, Comcast may install aerial cable except when a resident agrees to bear the additional cost of undergrounding



# Fiber Use Agreement Summary

## **Background**

- Comcast has constructed and maintained an institutional network (I-Net) that provides internet connections to and between a number of City buildings and public schools in the city as per the 1996 franchise
- Comcast owner the fiber lines used for this purpose

## **Summary**

- The new fiber agreement addresses use of the fiber lines owned by Comcast so that the City can continue to utilize them



# Schedule & Next Steps

- City Council Public hearing – Oct. 8, 2013
- Request for Council action – Oct. 22, 2013



# End of Presentation