INS AND OUTS OF FRANCHISE RENEWAL AND COMPETITIVE FRANCHISING

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Partnering With Local Government

- Build and maintain a strong, positive relationship with local government staff/officials and PEG access
  - Discuss renewal with City staff in advance of the opening of the renewal “window”
  - Try to create environment of collaboration, rather than City issues vs. PEG issues
  - Budget for the renewal process

- Build an educated renewal team
  - Create or be part of the franchise renewal leadership team
  - Include community leaders, PEG leadership, and City staff

- City officials & staff, PEG board & staff, and community leaders should be briefed on renewal basics, anticipated process, and timeline
  - Initial and ongoing
  - Build a renewal workplan/timetable
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<td>A. MANAGE FRANCHISE RENEWAL PROCESS</td>
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<td>1. Develop renewal plan</td>
<td>Buske, King</td>
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<td>2. Review documents &amp; identify requirements of state/local laws and any needed Ordinance amendments.</td>
<td>Buske, City Attorney, King</td>
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<td>3. Manage renewal process</td>
<td>Buske, King</td>
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<td>B. CONDUCT A TECHNICAL EVALUATION &amp; TESTING</td>
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<td>1. Review Wave documentation.</td>
<td>CTC All Tasks</td>
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<td>2. System-wide test and inspection</td>
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<td>3. Test emergency alert capability</td>
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<td>4. Review I-Net for improvement &amp; fiber backbone</td>
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<td>5. Prepare technical report</td>
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<td>C. EVALUATE PAST PERFORMANCE OF WAVE</td>
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<td>1. Review compliance with Franchise provisions</td>
<td>King &amp; Finance</td>
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<td>2. Franchise Fee review/audit</td>
<td>Dept., Buske (assist if needed)</td>
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<td>D. IDENTIFY CURRENT &amp; FUTURE COMMUNITY CABLE RELATED NEEDS AND INTERESTS</td>
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<td>1. Conduct on-line survey(s)</td>
<td>City staff, Van Dalsen</td>
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<td>2. Conduct focus group workshops</td>
<td>City staff, Buske</td>
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<td>3. Review current community/PEG access resources and services</td>
<td>Buske</td>
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<td>4. Prepare community needs assessment report.</td>
<td>Buske, VanDalsen</td>
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Partnering With Local Government

- Determine information needed
  - Past Performance Review
  - Needs Assessment: Future needs & interests

- Determine budget for undertaking past performance review and needs assessment
  - City and/or access operation(s) can individually or jointly fund needs assessment
  - Research tools
  - Use multiple information-gathering techniques

- Stay in regular contact with elected officials and City staff throughout the renewal process
  - If possible, get a place at the negotiating table when PEG is being discussed
  - If not possible, make sure the City has all information needed
Doing Your Homework: Compliance Review & Needs Assessment

- What Homework?
  - Compliance Review = Past Performance
  - Needs Assessment = Current/Future Needs & Interests

- Why are these tasks important?
  - Building a legal case

- Four reasons for denial of a request for renewal
  - Poor quality of service
  - Failure to have financial, legal, technical qualifications
  - Failure to comply with the terms of the expiring franchise
  - Proposal fails to meet the future community needs and interests, in light of costs
Past Performance Compliance Review

Past Performance Review activities may include:

- Franchise fee/financial review of cable operator
- Franchise compliance review
- Technical review of the cable system
- Public input gathered during needs assessment process
- Preparing reports that document the findings
Needs Assessment Process

- Needs Assessment activities to identify future community needs and interests may include:
  - Focus group workshops (constituency-based)
  - Telephone survey
  - On-line survey(s)
  - Stakeholder meetings/interviews
  - Gathering strategic & communication plans
  - Review of current PEG Access facilities & operations
    - Evaluate equipment, facilities, services
  - Public hearing
  - Reports that document the findings of all activities and make recommendations
A Few Tips for Focus Groups

- Hold a “Renewal Leadership Team Meeting” to introduce concept of Needs Assessment and focus groups
  - Constituency-based focus groups
  - Allow at least 60 days after the Renewal Leadership Team meeting to promote focus groups
  - Go beyond the “usual suspects” when marketing
- RSVP for Focus Groups
- Incentives for participation
- Always have refreshments for participants
A Few Tips for Surveys

- Ask questions in a clear and unbiased fashion
- Ask questions that could yield information to help assess future needs
  - It's about more than just “I want lower cable rates”
- Examine longitudinal trends if possible
- Ask questions of both subscribers and nonsubscribers
  - You are assessing community needs and interests, not only current subscriber needs and interests.
Example of Survey Questions

- “Do you receive Comcast’s package of high definition (HD) channels?”
  Followed by:

- “How often do you watch Comcast channels that are not delivered in HD to your TV?” PLEASE CHECK ONE OF THESE:
  - Often
  - Sometimes
  - Rarely
  - Never
  - Don’t know
Interesting Findings

- **Subscribers and HD**
  - About 60% of subscribers pay extra to receive an HD tier of service (*average of response to 10 recent on-line surveys*)
  - 35% of these HD subscribers said they **rarely** or **never** watch programs that are NOT delivered in HD

- What does this tell us about what should be included in the franchise regarding PEG access channels?
Key PEG-Related Franchise Provisions

- **PEG Access Channels**
  - PEG access capacity -- equivalent quality to local network and PBS affiliates
    - On both lowest cost tier of service and HD Tier
    - Number of “channels” can be increased
    - PEG channels located in a consecutive or near consecutive “run” of channels
  - PEG channel locations cannot be changed without local approval and then only for “must carry” or technical reasons
  - PEG Video on Demand
Key Franchise Provisions
Communities with PEG HD Channels (partial list)

- Philadelphia, PA (Comcast)
- Minnesota (Comcast)
  - Minneapolis, St. Paul, Coon Rapids, North Suburban Communications Commission, North Metro Commission, etc.
- Washington (Comcast)
  - Vancouver, Tacoma, Renton, Seattle
- Manhattan, NY (Verizon, Charter, RCN)
- Brooklyn, NY (Verizon, Charter, Altice)
- Bronx, NY (Verizon, Altice)
- Queens, NY (Charter, Verizon)
Key Franchise Provisions
Communities with PEG HD Channels (partial list)

- Chicago, IL (RCN)
- Fairfax County, VA (Cox)
- Massachusetts (RCN)
  - Lexington, Stoneham, Massachusetts, Newton, Framingham, Brookline, Weston Waltham, etc.
- Longmeadow, MA (Comcast)
- Central Vermont Community TV (Charter)
  - Barre, Cabot, Chelsea, Marshfield, and 8 other towns
- Portland, OR (Comcast)
- Gresham, OR (Comcast)
Another Example of a Survey Question

“Which one source of information do you use most often to find information about programming on cable TV channels?”

PLEASE CHECK ONE OF THESE:

- TV Section of the newspaper
- TV guide magazine
- The Internet
- Comcast’s on-screen guide
- Channel surfing
- Don’t know
Interesting Findings

PEG Channels on Electronic Program Guide

- About 56% of subscribers indicated that the EPG is their most frequently used source of information to decide what to watch on cable TV (average of responses to 5 recent telephone surveys)
- Subscribers in these surveys reported that they used the EPG three times as often as any other source to find cable TV programming information

What does this tell us about what should be included in the franchise regarding PEG access channels?
Key Franchise Provisions

Communities with PEG Channels on EPG (partial list)

- Philadelphia, PA (Comcast)
- Central Vermont Community TV (Charter)
  - Barre, Cabot, Chelsea, Marshfield, and 8 other towns
- California (Comcast)
  - San Jose, Sacramento, Fresno, Marin County, Santa Maria
- Manhattan, NY (Verizon, Time Warner, RCN)
- Brooklyn, NY (Verizon, Time Warner, Cablevision)
- Bronx, NY (Verizon, Cablevision)
- Chicago, IL (Comcast & RCN)
Key Franchise Provisions
Communities with PEG Channels on EPG (partial list)

- Fairfax County, VA (Cox)
- Shrewsbury, MA (Shrewsbury Electric/Cable Co-op)
- Minnesota (Comcast)
  - Ramsey Washington Commission (11 cities)
  - North Suburban Commission (9 cities)
- Bismarck, ND (MidContinent Communications)
- Portland, OR (Comcast)
- Gresham, OR (Comcast)