



MT. HOOD CABLE REGULATORY COMMISSION

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Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale and Wood Village

MT. HOOD CABLE REGULATORY COMMISSION

MetroEast Community Media, Studio A

January 12, 2009 Meeting Minutes -- **APPROVED**

SUMMARY MINUTES

MINUTES AS APPROVED AT THE FEBRUARY 23, 2009 MHCRC MEETING.

Call to Order: 6:44 pm

1. Roll Call.

Commissioners present: Norman Thomas (Chair), Rich Goheen, Sue Dicile, Alan Alexander, John Kilian.

Commissioners absent: Tim Clark, Bill June and Andrea Cano.

Staff: Mary Beth Henry, Deputy Director; Julie Omelchuck, Program Manager; Ben Walters, Legal Counsel; Rebecca Gibbons, Program Specialist.

2. Agenda Review: none.

3. Disclosures: Thomas disclosed meeting with Curt Henninger and Sanford Inouye, Comcast, to discuss Comcast's 2009 services.

4. Public Comment: none.

5. Tribute to Bob Hedlund

McDaniel, PCM Executive Director, said PCM staff, producers and the community at large paid tribute to Bob Hedlund who passed away in November. McDaniel said Hedlund was an avid PCM producer for over ten years and an advocate for community media, the volunteer producer's community and MHCRC business in general. In honor of Hedlund's contributions to the community, McDaniel said PCM has renamed its media education training scholarship program the *Bob Hedlund Memorial Scholarship Fund*. McDaniel said PCM's Producer's Circle meeting paid tribute to Hedlund by inviting the community in to record their favorite Bob Hedlund stories.

Dicile said Hedlund attended numerous MHCRC meetings over the years and participated in discussions with passionate testimony. Dicile said Hedlund, even if he disagreed with the path chosen by the MHCRC, always expressed appreciation for the MHCRC's work.

Henry said staff appreciated Hedlund's volunteer involvement in advocacy efforts and policy discussions at both the State and Federal level. Henry said Hedlund took his citizen activism to protect the local community media public benefits seriously.

Thomas said he enjoyed getting to know Hedlund over the years and appreciated his strong support of the MHCRC's work and the community media public benefits. Thomas said Hedlund lead community outcry efforts when the City of Portland attempted to absorb the Office of Cable Communications and MHCRC staff into a newly formed Revenue Bureau.

Goheen said Hedlund stood out as an honest and straightforward individual with the best interest of community media at heart. Goheen said Hedlund's passing is a great loss to our community.

6. Stan Saunders Service Recognition

Thomas said Saunders served on the Commission for 14 years from 1994 to 2008.

Dicile read the service recognition letter addressed to Saunders included in the meeting packet. Thomas passed around a service recognition plaque that will be sent to Saunders along with the letter.

Commissioners and staff expressed deep appreciation for Saunders' dedication to the community media public benefits and contributions to the community through his work on the MHCRC.

7. Welcome John Kilian, Gresham MHCRC Representative

Thomas welcomed Kilian as the Gresham representative on the MHCRC on behalf of Commissioners. Kilian gave a brief personal biography. Kilian said he appreciates the volunteerism of the Commission and said he looks forward to being an active participant. Kilian said he is also a member of the City of Gresham's Finance and Budget Committees and Medical Teams International.

8. Welcome Sylvia McDaniel, PCM

Thomas said even though McDaniel has been with PCM for six months now, this is the first opportunity the MHCRC has had to formally welcome her to the community.

McDaniel gave a brief personal biography. McDaniel said the PCM Executive Director position was an ideal fit for her. McDaniel said that past PCM leadership laid the foundation for an organization that will be a leader and national model.

9. Introduction of Raymond Deede, Verizon

Thomas introduced Raymond Deede, Verizon Franchise Service Manager.

Deede said he has been with Verizon for nine years; first as a call center customer service advocate and now the Franchise Service Manager for Oregon and Washington.

10. September 15, 2008 Meeting Minutes

MOTION: Dicile moved to approve the September 15, 2008 Meeting Minutes. Alexander seconded.

DISCUSSION: none.

VOTE: 5-0 passed

11. October 2, 2008 Special Meeting Minutes

MOTION: Goheen moved to approve the October 2, 2008 Special Meeting Minutes. Dicile seconded.

DISCUSSION: none.

VOTE: 5-0 passed

12. November 1, 2008 Strategic Planning Retreat Minutes

MOTION: Dicile moved to approve the November 1, 2008 Strategic Planning Retreat Minutes. Alexander seconded.

DISCUSSION: none.

VOTE: 5-0 passed

13. Chair Appointment of Committee and Liaison Positions

Thomas summarized his contact with Commissioners about the current committee and liaison structure and membership. Thomas confirmed the appointment of members to the committee and liaison positions as contained in the packet.

14. FY2007-08 Year End Financial Report

Thomas thanked staff for keeping the Finance Committee informed on fiscal matters throughout the year.

Henry summarized the financial report contained in the meeting packet:

- The Commission collected \$6,327,692 in cable franchise fees, a 7% increase over last year, and \$2,531,077 in PEG fee revenues.
- MetroEast Community Media received \$622,780 in public access funding from the East County Jurisdictions.
- Portland Community Media received \$867,297 in public access funding from the City of Portland and \$33,002 from West Multnomah County franchise fees.
- The Commission awarded \$1,134,925 in Community Access Capital Grants.
- Access Corporation Capital Funds disbursed to Portland Community Media and MetroEast Community Media were \$565,001 and \$484,339 respectively.
- The Commission's Administrative Budget expenditures were well within budget except within the Internal Services line item which was slightly under-budgeted due to unanticipated expenditures related to Information Services and Facilities.
- Franchise fee revenues increased 7.9% in Portland and 6.5% in East County; continuing a slightly upward trend.
- Cable penetration is 46% in Portland and 49% in East County.
- The Verizon franchise negotiations spanned three fiscal years and totaled \$54,000.

MOTION: Goheen moved to approve the FY2007-08 Year End Financial Report. Dicile seconded.

DISCUSSION: none.

VOTE: 5-0 passed

15. FY09-10 MHCRC Budget Reduction Package

Thomas said the Commission contracts with the City of Portland for staffing services therefore the Commission's budget is included within the City of Portland's budget. Thomas said the City of Portland is requiring preliminary FY09-10 reduction packages from all city bureaus by January 26, 2009. Thomas said the reduction packages are to be crafted based on a 2.5% and 5% reduction level scenario.

Henry said staff checked with the member Jurisdictions' financial staff for projected budget reduction estimates. Henry said that while the Jurisdictions anticipate reductions they did not have reduction estimates on hand. Therefore, Henry said the Finance Committee developed reduction packages based on the City of Portland's 2.5% and 5% reduction scenarios. Henry said the proposed reduction packages reduce the Commission's contingency funds, resulting in the Commission having less flexibility to participate in advocacy efforts (FCC filings, professional development, etc.) throughout the year. Henry said the Commission participated in 12 proceedings last year, including the FCC's Video Franchising Rule challenge. Henry said the reduction packages also address funding to retain the Office Support Specialist (OSS) position, which was a two-year, temporary position then ends June 30, 2009.

Kilian questioned the need to reallocate the budget percentages between the City of Portland and the East County Jurisdictions. Kilian reasoned that anything learned from the Verizon franchise negotiations would be applicable to all MHCRC franchise areas. Henry said the Committee report contained in the meeting packet discusses a potential adjustment to the budget percentage share allocations between the City of Portland and the East County Jurisdictions. Henry said the Finance Committee rationalized this proposal based on the increased workload presented by the new Verizon franchise in East County. Henry said that because final budget reduction numbers are not yet known it's premature to have a discussion of the merits of this proposal. Henry said that once final budget numbers are known staff and the Finance Committee will meet to flush out options.

Dicile said the MHCRC has prided itself on the ability of its individual members to take a regional perspective on issues such as this. Dicile said the City of Portland has essentially one active franchise with Comcast while East County now has active franchise with three separate providers; Comcast, Verizon and Cascade Access. Dicile said that while a lot takes place during franchise negotiations, it remains that each franchise needs to be administered into the future.

Alexander asked staff to clarify what the Committee was asking the Commission to vote on. Henry said the 2.5% and 5% reductions packages contained in the Committee report. Omelchuck clarified that the Commission is being asked to vote on a budget reduction recommendation to the Portland City Council. Omelchuck said the proposed budget reduction packages represent an impact statement of what a 2.5% or 5% budget reduction would do to the level of services provided by the MHCRC. Regarding the budget percentage allocations, Omelchuck said this is the first time the MHCRC has been faced with a situation where a franchise applies to only a portion of the whole MHCRC franchise area and creates a new workload. Omelchuck said staff and the Finance Committee will continue to discuss options to resource that workload.

MOTION: Dicile moved to approve the FY2009-10 Budget Reduction Package. Alexander seconded.

DISCUSSION: none.

VOTE: 5-0 passed

16. Grant Contract Amendment: Metro

Gibbons said the Commission approved a grant contract with Metro in 2007 for the purpose of upgrading existing video equipment in the Metro Council chambers. Gibbons said the original project was to be complete in December 2008 however Metro experienced setbacks in its system design and equipment procurement process that delayed implementation and completion of the project under the original timeline. Gibbons said may of the issues related to changes in system design dictated by the needs of Council members and Metro's administrative RFP process for equipment procurement. Gibbons said that as of November 2008 equipment installation was complete and all that remains is Metro's evaluation of the project against its stated goals and outcomes. Gibbons said staff recommends amending the contract to extend the term of the contract six months to allow time for Metro to gather data and report on its evaluation of the project.

In response to a question from Dicile regarding expenditure of grant funds, Omelchuck said staff reimbursed Metro for expenditures.

MOTION: Alexander moved to amend the grant contract with Metro to extend the term of the contract through May 31, 2009. Dicile seconded.

DISCUSSION: none.

VOTE: 5-0 passed

17. Community Access Capital Grant 2009 Application Deadline

Thomas said he placed this item on the agenda to have a record of the Commission's approval of the application deadline date.

MOTION: Alexander moved to approve March 17, 2009 as the application deadline for the annual Community Access Capital Grant competitive grant round. Goheen seconded.

VOTE: 5-0 passed

18. Comcast Renewal Key Steps & Timeline and Community Needs Ascertainment Goals & Outcomes

Dicile said the Ascertainment Committee met to develop a timeline for conducting the performance evaluation and ascertainment of community needs and interests in response to Comcast's request to begin the renewal process. Dicile said the proposed timeline includes conducting a performance review under current franchise terms, ascertaining community technology needs and interests and negotiating a franchise with Comcast. Dicile said the Goals & Outcomes take into account input provided by Commissioners at the annual strategic planning retreat and affirms the Commission's desire to conduct a broad assessment of community technology needs.

MOTION: Kilian moved to approve the Comcast Renewal Key Steps & Timeline and the Community Needs Ascertainment Goals & Outcomes. Alexander seconded.

DISCUSSION: none.

VOTE: 5-0 passed.

19. Contingency Request: Community Needs Ascertainment

Omelchuck said the MHCRC set aside \$26,000 in technical/engineering and \$20,000 in professional services in its FY08-09 budget specifically for Ascertainment purposes. Omelchuck said the MHCRC, at its annual strategic planning retreat, directed the Ascertainment Committee and staff to identify additional resources and develop a funding proposal from contingency funds. Omelchuck said the Ascertainment Committee identified up to \$28,000 in contingency reserve funds for this purpose.

Omelchuck said that if the appropriate is approved, staff and the Ascertainment Committee will work to develop service contracts in support of Ascertainment work. Omelchuck said staff and the Ascertainment Committee will then seek Commission approval of all service contracts related to this project as needed.

MOTION: Dicile moved to appropriate up to \$28,000 from contingency reserve to fund development of the MHCRC Community Needs Ascertainment. Goheen seconded.

DISCUSSION: none.

VOTE: 5-0 passed

20. Potential Verizon Franchise Violation – Failure to Provide MetroEast PEG Channels

Staff Presentation

Presenting: Julie Omelchuck, staff, and Ben Walters, Legal Council

Omelchuck said staff believes Verizon's failure to provide MetroEast PEG access channels as required is a potential violation of Section 7.1.1 of the Verizon Gresham Franchise. Omelchuck said MetroEast PEG access channels were to be included in the basic service provided by Verizon when the Company began offering service. Omelchuck said Verizon notified staff that it began offering service to subscribers on November 25, 2008 (Service Date) and staff became aware that PEG channels were not offered in that service. Omelchuck said Ray Deede, Verizon, in conversations with staff and MetroEast indicated that PEG channels would not be available until March or April 2009.

Omelchuck said sent Verizon a Notice of Potential Violation and Opportunity to Cure letter in November and Verizon responded to the staff letter by letter dated December 23, 2008 (attachments to the staff report). Omelchuck said Verizon's reply letter disagreed that the Verizon franchise requires PEG channels to be included in its cable service when service was offered to subscribers.

Omelchuck said the next procedural step is to schedule a formal hearing in the event that Verizon fails to remove or cure the alleged noncompliance or does not undertake good faith efforts to remedy the noncompliance. Omelchuck said staff recommends the MHCRC schedule a formal

hearing for February 23, 2009. Omelchuck said the formal hearing process sets in place a timeline for addressing this issue and provides the Company incentive to remedy the situation.

Dicile requested clarification of what Verizon meant by the statement, “Verizon Northwest clearly communicated its anticipated PEG deployment and timeframe during the Gresham franchise hearing without objection from the MHCRC.” included in Verizon’s December 23 letter. Omelchuck said staff assumed that the reference was to the Gresham City Council meeting where Verizon presented information and answered questions about the franchise and Council approved a franchise on the same day that the item was noticed to the public. Omelchuck said staff has not received any additional information and could not locate on the public record of that meeting any statement by Verizon that they recognized that the franchise required this and that these PEG access channels would not be activated until five months later than the service date. Omelchuck said this question should be directed to Verizon. Omelchuck said a formal hearing would provide the context for Verizon to present this kind of information to the Commission.

Walters said what Verizon meant by ‘Gresham franchise hearing’ would be something to be determined at a formal hearing. Walters said the formal hearing setting would also be the place to assess whether or not a statement, made in the context of a Gresham hearing, provides a defense to failure to adhere to the franchise requirement.

Verizon Presentation

Presenting: Raymond Deede, Verizon Franchise Services Manager and Ramona Monroe, Verizon Legal Counsel

Deede said that when Verizon went ‘General Availability’ with its service it also started the process for setting up the PEG channels. Deede said carriage of the PEG channels requires coordination with MetroEast. Deede said that following the negotiations and the passage of the franchise agreement Verizon is to receive from staff and MetroEast indicating requested PEG channel locations. Deede said equipment has been ordered, work orders have been placed and the engineering design completed. Deede said Verizon’s timeline sets a completion date of April 8. Deede said Verizon would keep the Commission up to date on milestones achieved and any adjustments to the timeline. Deede said a few things that have yet to occur include the fiber termination, scheduled for March 10-11, the PEG equipment being installed and completed around March 25 and the channels being activated and tested around April 1.

Monroe said Verizon believes it is in full compliance with the franchise agreement entered into with the City of Gresham. Monroe said cooperation between the Company and MetroEast is necessary to get PEG channels up and running on the Verizon system and that the franchise agreement contemplates this by establishing steps for the parties to cooperate. Monroe said the franchise doesn’t have any deadline by which the channels need to be up and operating. Monroe said there are many other sections of the agreement that do have deadlines. Monroe said that when the parties intended for there to be a deadline it’s clearly stated in the franchise agreement. Monroe said there was a lot of discussion during the Gresham hearing about PEG channel issues and how Verizon and MetroEast would have to work cooperatively to address some of the issues. Monroe said Verizon does not believe the steps for enforcement that are set forth in the

agreement have yet been initiated by staff. Monroe said the agreement calls for there to be a notice of noncompliance if there is an alleged event of noncompliance. Monroe said the notice must be very specific in identifying the actions and the sections of the franchise agreement that are impacted by the alleged noncompliance. Monroe said Verizon has not received that notice or any notice that an opportunity to cure has begun. Monroe said staff's November letter talked about potential violations. Monroe said staff's November letter was very vague and ambiguous. Monroe said Verizon simply does not believe the staff letter qualifies as notice of noncompliance as required under the franchise agreement. Monroe said Verizon believes it would be inappropriate for the Commission to schedule any kind of further proceedings until all of the preliminary steps have been followed that are set forth in the franchise agreement.

Kilian asked Verizon to confirm that franchise negotiations lasted about 17 months. Monroe said yes.

Kilian asked Verizon to confirm that the Company represents itself as hitting the ground running; that it's ready to go; and that its done this nationwide, it knows about PEG channels and it's ready to roll out services into a community. Deede said the PEG channels usually come up after the Company goes General Availability because there is a lot of coordination that goes on to get that done. Deede said Verizon does not want to deny customers competition just because the PEG channels are not available.

Kilian, referring to the MHCRC's September 15 meeting minutes, said PEG channels are discussed over and over, thus indicating their importance to the community. Kilian said that when reading Section 7.1.1 of the Verizon franchise he reads that Verizon "shall" provide these channels. Kilian said Section 7.1.1 doesn't say the Verizon 'may', 'can' or 'will' provide these channels; it says 'shall.' Kilian asked Verizon to define 'shall.' Monroe said Verizon fully intends to provide the channels and is in the process of doing so. Monroe said it takes time to do the engineering and the actual construction in order to connect the MetroEast facility with the Verizon network in a way that allows Verizon to distribute the channels. Monroe said Verizon has put together a timeframe to provide the PEG channels and has shared it with staff.

Kilian said the Commission is considering whether or not to hold a formal hearing on this issue tonight and that he is trying to gather information from Verizon that would help avoid a formal hearing. Kilian said the requirement appears clear and that Verizon should have been thinking about fulfilling the requirement prior to 'hitting the ground running' or at least within the 30-day period following staff's November letter.

Monroe said the engineering and design work and technology for the connections is customized in every community that Verizon franchises with. Monroe said Verizon didn't know what was going to be required until the franchise agreement was final and adopted by Gresham. Monroe said Verizon can't undertake engineering and design work prior to having a final franchise agreement. Monroe said Verizon is committed in the agreement to provide the channels. Monroe said once the agreement is in place Verizon then sits down to cooperatively work out the design, the engineering and the actual connections. Monroe said the agreement specifically states Verizon has 120 days to complete that process to add a new PEG channel. Monroe said the agreement does not identify a timeframe with respect to the initial channels but that it still takes

about 120 days to get the channels up and running. Monroe said Verizon is working diligently to make the PEG channels available. Monroe said Verizon believes it is in full compliance with the agreement as it was entered into with the City of Gresham.

Alexander asked Monroe to further clarify her statement that Verizon believes the staff letter dated November 26 is inadequate notice of a violation and the 30-day compliance window. Monroe said Verizon expects to be notified that MHCRC staff believes a violation has occurred. Monroe said Verizon expects to be notified that staff is triggering the enforcement procedures of the franchise agreement giving Verizon 30-days to respond, to cure or to demonstrate reasonable efforts to cure. Monroe said Verizon expects staff to follow the process exactly as it's laid out in Section 14.4 and the following sections of the agreement.

Alexander clarified that Verizon believes staff's November 26 did not follow Section 14.4. Monroe said yes.

Commission Discussion and Direction to Staff

Alexander asked Omelchuck if staff was aware that Verizon did not clearly understand the purpose of its November 26 letter as a notice of violation and opportunity to cure. Omelchuck said this is the first time staff has heard Verizon assert that they had not received adequate notice or that staff had not notified them in writing of the nature of the alleged noncompliance and what's required in the franchise agreement. Omelchuck said staff fully intended the November 26 letter to be a notice of potential violation. Omelchuck said that according to the franchise, staff is required to notify Verizon, in writing, of the exact nature of the alleged noncompliance 30-days before exercising any of the City's rights under the franchise. Omelchuck said staff sent a letter letting Verizon know that staff thought there was a potential, or alleged, franchise violation and cited the sections of the franchise in question. Omelchuck said tonight is the first time that staff has heard that Verizon believes it has not received proper notice. However, Omelchuck, referring to Verizon's December 23 reply letter included in the meeting packet, said staff would assert that Verizon, in its reply, indicated that Verizon was responding to the staff notice of potential violation because Verizon gives their reasons about why they think Verizon is not in violation.

Walters said he believes that the staff letter is in compliance with the substantive notice requirements of the franchise. Walters said the franchise requires staff to provide notice and staff has done so. Walters said he believes the notice is sufficiently particular to what staff believes the franchise violation is: Verizon gave notice of a Service Date, staff understanding that the franchise requires PEG channels to be activated and offered at the Service Date, and that the PEG channels were not activated by the Service Date. Walters said that having read the letter again tonight, having heard Verizon Counsel's objection, he believes the staff letter is sufficiently particular and that Verizon's reply letter seems to indicate an understanding of what staff's concerns are and attempts to address those concerns. Walters said he believes Verizon Counsel's position is a procedural objection. Walters said he believes the path is clear should the Commission choose to go forward to set a hearing date.

Goheen directed a question to Rob Brading, MetroEast, regarding timing of Verizon's attempts to initiate activation of the PEG channels. Brading said he didn't know without referring to his calendar but could give you a ballpark figure. Goheen asked in Verizon made contact before negotiations were completed. Brading said MetroEast had conversations with Verizon technical people about a year ago. Brading said the next conversation with Verizon technical people was after the franchise had been adopted by Gresham.

Dicile said the Commission, by setting a formal hearing date, still preserves its options so that should things move forward at an accelerated clip then the Commission could accept Verizon's cure plan. Dicile said it's in the Commission's best interest to stay within the defined process in order to keep things moving forward.

MOTION: Dicile moved to schedule a formal hearing, in accordance with MHCRC Rules of Procedure, for February 23, 2009 in order to make a determination on a potential franchise violation with respect to Verizon's failure to include MetroEast PEG channels as part of Basic Service when Verizon began offering cable service to subscribers in its Gresham service area on November 25, 2008 (Service Date). Kilian seconded.

DISCUSSION: none.

VOTE: 5-0 passed

21. Staff Activity Reports

- Verizon Franchise Jurisdictional Update: Omelchuck said all of the east county Jurisdiction's have approved addendums to the City of Gresham's franchise agreement with Verizon, except Multnomah County. Omelchuck said the County has several new Commissioners. Omelchuck said Board Chair Wheeler has appointed Commissioner Diane McKeel as the liaison to the MHCRC, replacing Lonnie Roberts. Omelchuck said Jurisdiction agreement to be a party to the Gresham franchise in the form of an addendum was required by Verizon. Omelchuck said the addendum format is unfamiliar to staff therefore staff will work with the Jurisdiction's legal councils to clarify administration of the franchise. Omelchuck said Verizon has launched service in the Gresham area only and that the Service Date for Gresham does not apply to the other Jurisdictions. Goheen asked if the Jurisdictions will receive signed franchises. Omelchuck said she is not sure if the Jurisdictions have received signed addendums to make the addendum effective.
- Programming Channel 29: Omelchuck said MetroEast historically programmed channel 29 countywide however the language in the franchise specifically intends the channel be made available to PCM should it wish to program it. Omelchuck said PCM recently indicated an interest in programming channel 29 therefore staff, PCM, MetroEast and Comcast have been meeting to implement this technically. Omelchuck said Comcast has indicated that the technical pieces should be in place to allow PCM to take over programming by mid-February.
- DTV Roadshow and Commissioner Adelstein events: Henry said coordinated several DTV educational events recently including a day of informational sessions that included FCC Commission Adelstein, NTIA and OPB. Henry said Chair Thomas presented on behalf of the Commission at a meeting with 90 seniors in attendance. Henry said Congress is going to be faced with requests to extend the February 17 deadline due to the

many complications that have plagued the transition. Henry said staff continues to keep the MHCRC website DTV link up to date and to take calls from the general public regarding the process and their options.

- One Web Day: Henry said One Web Day is to be held annually on September 22 to recognize the transformative effects of the Internet. Henry said the inaugural One Web Day was celebrated at Pioneer Courthouse Square in Portland this year. Henry said staff help coordinate the event and PCM provided live web streaming to allow for online banking and online health service demonstrations.
- Grantmakers Regional Conference: Omelchuck said that she and Gibbons attended the Grantmakers Regional Conference in Sisters on behalf of the MHCRC. Omelchuck said staff finds the Grantmakers events extremely beneficial to administering the MHCRC's Capital Grant Program.
- 4th Quarter & Year-end Complaint Report: Omelchuck reviewed the Year-end complaint report detailing Comcast complaint calls handled by staff. Omelchuck said the Commission should be on the look out for a similar report in future detailing Verizon complaint calls. Kilian asked staff to include the percentage of complaints in relation to the total number of subscribers on future reports.
- Comcast quarterly Customer Service Standards Report: Omelchuck reported no compliance issues.
- FCC/Legislative Developments: Henry said the Oregon Legislature convened today. Henry said President-elect Obama is scheduled to appoint Julius Genochowski as FCC Chair. Henry said FCC Chair Martin steps down on January 20 but does not have to leave the Commission unless he chooses too. Henry said NATOA is poised to join with others to file to overturn the FCC's decision on the Video Franchising Rule.
- Other: none.

22. Committee Reports

- Finance: none.
- Community Needs: none.
- Grant Evaluation: none.
- I-Net liaison: none.
- PCM liaison: none.
- MetroEast liaison: none.

23. New Business

Thomas said the MHCRC February meeting is on the 4th Monday due to holiday.

24. Franchisee Report

Inouye, Comcast, reviewed Comcast's corporate citizenship activities over the past year and encouraged participation in the 2009 Comcast Cares Day on April 25.

Verizon: none.

Cascade Access: none.

25. PEG Provider Report

Brading, MetroEast, said MetroEast will celebrate its 25th anniversary this year. Brading said the MetroEast radio station (KZME) will begin pod casting by the end of this month and streaming by late spring. Brading said the goal is to go on air on MetroEast's actual anniversary in November. Brading said the station has its own website separate from the MetroEast website. In response to a question from Dicile regarding governance, Brading said the MetroEast Board has expanded from 9 to 13 members to address the radio station governance issue in the short term. Brading said he does not yet know what the structure will be in the long term.

McDaniel, PCM, said PCM remained open during the December winter storm. McDaniel said PCM has begun developing organizational relationships with the Gates Foundation, PPS Channel 28, KBOO Radio, etc in an effort to increase exposure of PCM services, find efficiencies and further diversify its funding base. McDaniel said PCM's by-laws have been modified to include a youth position on the Board. McDaniel said this position has been filled by a Grant High School student. McDaniel said PCM is undergoing a strategic planning process that includes promotional efforts. McDaniel said PCM recently implemented a \$50 annual producer activity-fee. McDaniel said media education rates have also been raised as these rates have not seen an increase in four years.

Dicile asked what PCM expects the annual revenue will be from the activity fee. McDaniel said about \$5,000. Dicile asked why implement a fee is it will cost as much to administer it. McDaniel said \$5,000 goes a long way and PCM is facing a large deficit, therefore must start somewhere to begin to offset it. Dicile said volunteer good will goes a long way too.

In response to a question from Omelchuck regarding PCM's projected budget situation for current year and upcoming year, McDaniel said funding to PCM under the City of Portland contract has been reduced four times in recent years but the scope of services continues to increase.

Omelchuck noted that PCM has also experienced a tremendous drop off in interest based revenues received from its investment fund.

26. Public Comment: none.

Adjourn: 8:54pm

Respectfully submitted,

Rebecca Gibbons
Program Specialist