

## MT. HOOD CABLE REGULATORY COMMISSION

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

EXHIBIT

MHCRC STAFF

EXHIBIT 3

### COVER SHEET - AGENDA ITEM #15

For Commission Meeting: December 15, 2008

#### Inclusion of PEG Access Channels in Verizon Cable Service – INFORMATION ONLY

#### **Background**

The MHCRC received notice from Verizon that it began offering cable services in the Gresham area on November 25, 2008. However, the local community access channels are not yet included in the cable services being offered. This situation is a potential violation of the newly adopted franchise agreement between Gresham and Verizon (Section 7.1.1 and 7.2.2).

On November 26, 2008 staff issued a Notice of Potential Franchise Violation and Opportunity to Cure letter to Verizon regarding inclusion of the local access channels in the cable services being offered in the franchise area. The Notice and Opportunity to Cure letter (attached) references requirements under Section 7.1.1 of the Gresham franchise and provides Verizon with 30-days from receipt of the notice to cure or initiate good faith efforts satisfactory to the Commission to cure the noncompliance. Verizon received staff's letter on December 3, 2008 and, therefore, has until January 2, 2009 to cure or initiate good faith efforts to cure the noncompliance.

Verizon has scheduled a meeting with staff on Friday, December 12, to discuss the issue. Verizon also indicated that they had contacted MetroEast this week in order to discuss a plan for the access channel interconnection between the MetroEast headend and Verizon's system.

Staff and Verizon will be available at the MHCRC December 15 meeting to discuss this issue in greater detail.

#### **Relevant Franchise Sections**

- 7.1.1 Subject to Section 3.10.2, Grantee shall provide eight (8) PEG Access Channels as part of Basic Service which shall be fully accessible to all Subscribers within the Service Area. Grantee shall provide one additional Access Channel as part of Basic Service, to be used by the Jurisdictions or their designee for the distribution of PEG Access Channel programming information to Subscribers.
- 7.2.2 The Jurisdictions or their designee shall cause to be provided suitable signals for the PEG Access Channels to Grantee at MetroEast Community Media, 829 NE Eighth Street, Gresham, Oregon 97030-5643 (the "PEG Access Headend"). The Access Channel signal for each PEG Access Channel shall be provided as composite video on a coaxial cable and two balanced audio +4dBm on two shielded audio cables to the Grantee's encoding device at the PEG Access Headend. Grantee shall provide, install, and maintain in good working order the equipment necessary for transmitting the PEG Access Channel signal from the PEG Access Headend, or other signal source locations designated under Subsection 7.1.3.3, for distribution to Subscribers. Grantee's obligation with respect to such upstream transmission equipment and facilities shall be subject to the availability, without charge to Grantee, of: (a) suitable required space, environmental conditions, and electrical power supply; (b) access to and pathway within the facility housing the PEG Access Headend; and (c) such cooperation of the Jurisdictions and any designee(s) as is reasonably necessary for Grantee to fulfill such obligations. The Jurisdictions represent and warrant that to the best of their knowledge, no incumbent cable operator consent is necessary for the Grantee to transmit PEG signals, including but not limited to, any consent related to the facilities of any

incumbent cable operator used to transmit PEG content to an origination or other point from auxiliary locations. If the PEG Access Headend relocates or if the Jurisdictions designate a different signal source location for an Access Channel, the Jurisdictions or their designee shall fund all direct costs to construct a connection from the new site or location to the nearest point on the FTTP Network.

Attachment: November 26, 2008 letter to Tim McCallion at Verizon

Prepared by: Julie S. Omelchuck  
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