

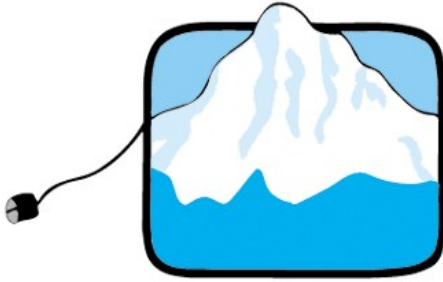
**MT. HOOD CABLE REGULATORY COMMISSION**

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



**MHCRC CASCADE ACCESS FRANCHISE COMMITTEE**

Corbett Grade School Cafeteria

June 2, 2008 Meeting Minutes -- **APPROVED**

**SUMMARY MINUTES**

Call to Order: 7:01pm

1. Roll Call.

Commissioners present: Norman Thomas (Chair), Andrea Cano (County representative).

Staff: David C. Olson, Director; Mary Beth Henry, Deputy Director; Rebecca Gibbons, Program Specialist.

2. Disclosures: none.

3. Chair Opening Comments/ Agenda Review

Thomas provided an overview of MHCRC structure and regulatory responsibilities and introduced himself, Cano and staff.

Cano welcomed Corbett residents.

Thomas said the draft franchise agreement was the result of detailed negotiations between Cascade Access and Commission staff over the past several months. Thomas said it is the Commission's responsibility to conduct a public process and make a recommendation to the Multnomah County Board of Commissioners about a final agreement with Cascade Access.

Thomas reviewed the hearing agenda.

Thomas opened the floor to Cascade Access.

4. Cascade Access Presentation

Cascade Access presenter: Steve Crosby, Cascade Access Operations Manager

Crosby handed out a summary of his comments, technical description and interconnection plans and maps of the Corbett area.

Crosby provided an overview of Cascade Access's corporate structure. Crosby said Cascade Utilities, Cascade Access and Rio Virgin Telephone formed a dba (doing business as) corporate name (Reliance Connects dba) in order to eliminate customer confusion.

Crosby introduced Cascade Access staff: Don Adamson, area manager; Dennis Anderson, project manager; Steve Valiant, network engineer and central office technician; Brenda Crosby, President.

Crosby said the Company built its first cable system in 1983 in Estacada. Crosby said the system was indicative of what was affordable at the time – a 35 channel system, all coax. As demand for channels increased the system was upgraded to hybrid fiber coax. Further upgrades resulted in the Company activating its first Fiber to the Premises (FTTP) customer in 2006. Crosby said Cascade Access dba Reliance Connects currently has 80 FTTP customers in Oregon and 500 FTTP customers in Nevada.

Crosby said the distribution network proposed for the Corbett exchange will be FTTP. Crosby said a fair amount of the backbone infrastructure is already in place. Crosby said the Company has been burying its conduit since 1987.

Crosby handed out Estacada cable television services brochures that reflect current rates. Crosby said Cascade Access did not institute a rate increase in 2008. Crosby said Corbett area rates will be slightly higher to reflect carriage of the PEG channels from Comcast. Crosby said the Company has identified \$36,000 in initial costs and an estimated \$50,000 more in order to carry the PEG channels. Crosby said discussions with Comcast regarding the PEG channel hand off have gone very well. Crosby said the Company has moved beyond what could have been a hostile relationship with Comcast to a positive working relationship reflected in the fact that Cascade Access is now buying Ethernet services from Comcast in order to serve the Estacada School District. Crosby said rates will also adjust to reflect the fact that off air channels have migrated from “must carry” to retransmission agreements with recurring charges per basic customer.

Crosby said the tentative build out plans include starting in the area surrounding the Reliance Connects Central Office and radiating out. Crosby said the tentative plan would be to focus on the Springdale, Mershon, Salzman and Hurlburt areas. Crosby said the Company intends to conduct a market test before confirming a build out plan.

Crosby said the fiber network will consist of pedestals and vaults similar to traditional telephone fixtures. Crosby said about 80% of existing infrastructure is buried the rest hung on PGE utility poles. Crosby said copper wire for telephone service terminate in a NID (Network Interface Device) while fiber terminates in an ONT (Optical Network Terminal) before carrying on into subscriber homes.

Crosby said the Company, over the next year, will be reviewing its options for providing video-on-demand services and HD upgrades. Crosby said they have recently completed a pilot project on an MPEG 4 IPTV system.

##### 5. Staff Presentation

Mary Beth Henry, MHCRC Deputy Director, provided an overview of the regulatory environment in which staff has negotiated the Cascade Access franchise. Henry said the MHCRC approved a resolution directing staff to negotiate an agreement with Cascade Access.

Henry said Corbett citizens are most familiar with the organization under the name Reliance Connects. Henry said staff, with financial and technical consulting expertise assistance, reviewed the Company's finances and technical design. Henry said staff believes the Company is financial sound and the FTTP design is seen as state of the art technology. Henry said the Corbett community is fortunate to have this infrastructure. Henry said the City of Portland does not have now or anytime soon the prospect of FTTP technology. Henry said Cascade Access staff was asked to work with MetroEast Community Media in order to facilitate carriage of the PEG channels.

Henry said the MHCRC is accepting public comment until June 11. Henry said a staff report and draft franchise would be presented to the full Commission at the scheduled June 16 MHCRC meeting. Henry said that if approved, staff anticipates presenting the MHCRC recommendation on a proposed franchise with Cascade Access to the Multnomah County Board around July 17. Henry said the franchise, if approved by the County Board, would be effective seven days after the vote.

In response to a question from Thomas, Crosby said that broadcast signals before and after the DTV transition will be transmitted by Cascade Access to customers in both analog and digital format.

#### 6. Public Comment

Thomas opened the floor to public comment and asked that comment be restricted to three minutes each.

- Fred Ericson, Corbett resident, encouraged Cascade Access to carry all of OPB's channels.
- Rob Brading, CEO of MetroEast Community Media, said MetroEast has provided public, educational and governmental services and access to advanced telecommunications technology for the East Metro area for almost 25 years. Brading said MetroEast supports competition and values the opportunity to provide its services to Corbett residents. Brading said that citizen participation through MetroEast has resulted in a remarkable array of programming such as regular coverage of local council and school board meetings, local sports and cultural events, political debates, educational, literacy, health and seniors programs. Brading said programming, conversation, debate and dialogue such as this would never be seen without citizen access to community media. Brading said MetroEast is a national leader in providing access to technology through education and capacity. Brading said that as technology changes, MetroEast is committed to fostering citizen participation. Brading commended the MHCRC and its staff for negotiating a forward-looking franchise that meets the growing communications needs of citizens. Brading thanked Cascade Access for recognizing the Corbett area's unique qualities and special needs and for responding as responsible corporate citizens. Brading said the proposed franchise with Cascade Access contains significant public benefits that will enable public, educational and governmental institutions to use the cable system to meet the continuing and growing communications needs of citizens. Brading said he hopes that these negotiations will serve as a model for other franchises. Brading said MetroEast strongly recommends that the MHCRC forward the proposed franchise with Cascade Access to Multnomah County for adoption.

Thomas said the Commission will continue to accept public comment in writing until Wednesday, June 11. Thomas provided the mailing and email address for submission of further comment.

Thomas said the Commission appreciates the good working relationship between Cascade Access and Comcast. Thomas recognized both organizations for fulfilling its civic duty.

Cano said the negotiations with Cascade Access were conducted under a specific and conscientious process. Cano said she too appreciates the collaborative nature of the organizations at the table: Cascade Access, staff representing the MHCRC, Comcast and MetroEast Community Media. Cano thanked the public who attended the meeting and who are providing staff with written comments. Cano said she would work diligently to move the public message to the County Commission as the MHCRC Multnomah County representative. Cano thanked staff for its expertise in successfully negotiating a franchise worthy of public comment.

Hearing no other requests from the public to comment, Thomas closed the public hearing.

Adjourned 7:33 pm.

Respectfully submitted,

Rebecca Gibbons  
Program Specialist