

**Comparison Summary Chart
Regarding MHCRC Staff Proposed Franchise for Verizon
Prepared for September 15, 2008, MHCRC Public Hearing**

PART I: THREE SIGNIFICANT UNRESOLVED ISSUES

Franchise Area	COMCAST East County Franchise	MHCRC STAFF Proposed Franchise	VERIZON POSITION (As Understood by Staff)
Customer Service	<p>(Section 13) Comcast must comply with the cities' and County's cable television consumer protection policy ("customer service standards") as provided by and in accordance with federal law. The local jurisdictions may also update the customer service standards as necessary.</p> <p>The jurisdictions each adopted standards in 2001.</p>	<p>(Section 9) Verizon must comply with the jurisdictions' customer service standards as embodied in local laws and any amendments thereto. The local laws apply to all cable service providers currently including Comcast and Cascade Access.</p> <p>The MHCRC staff draft maintains these rights granted to local jurisdictions under federal law to establish, update and enforce customer service standards.</p> <p>Staff believes Verizon's position is, in effect, a waiver of rights granted to a local jurisdiction under federal law for consumer protection.</p>	<p>Unresolved: Verizon wishes to establish the customer service standards in the franchise; and those standards could not be adjusted or updated, without Verizon's consent, for the franchise term.</p> <p>In addition, Verizon proposed three variances to the jurisdictions' current standards, one of which MHCRC staff is opposed to (See "Customer Service" in Part II of this Chart).</p>
Enforcement: Fines and Caps	<p>(Section 23) The Jurisdictions may impose (after due process and based on certain criteria) the following remedy, among others, for a material violation of the franchise: ▶ financial penalties up to \$1,000 per measure of violation.</p> <p>The franchise does not provide a cap to the total amount that could be</p>	<p>(Section 14) The Jurisdictions may impose (after due process and based on certain criteria) the following remedy, among others, for a material violation of the franchise: ▶ financial penalties up to \$1,000 per measure of violation.</p> <p>The MHCRC staff has put forward several proposals to Verizon to reduce the initial amount of a potential penalty and include</p>	<p>Unresolved: Verizon wishes to limit the amount of a potential penalty for material violations, as follows:</p> <p>Initial proposal: \$200 per measure of violation; total cap per year of \$20,000.</p> <p>Compromise proposal offered Aug. 13: \$400 per measure of violation; total cap per year of \$40,000.</p>

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	assessed for material violations.	a fine cap that is reasonable in relation to the size of Verizon as a company, to provide a deterrent for violations and to penalize the company if a material violation is found. Verizon has rejected the MHCRC staff's proposals to date.	Verizon also objects to two other violation remedies (See "Enforcement" in Part II of this Chart)
Treatment of Cable vs. Telephone Facilities	The Comcast cable franchise treats cable system, cable services and other cable related regulations as defined by and in accordance with federal cable law. It does not separately address telephone or telecommunications law or regulations.	(Sections 1.7, 1.35, 3.6.3) MHCRC staff has proposed use of federal definitions and law in these areas. This approach maintains current rights under federal law for both Verizon and the jurisdictions: No more, no less. MHCRC staff believes that this cable franchise is not the venue for Verizon to debate or interpret the various federal laws governing cable and telecommunications definitions and laws.	Unresolved: Verizon has proposed definitions of "cable system" and "telecommunications facilities" that rewrite the federal law definitions and the jurisdictions' telecommunications definition contained in local ordinances.

PART II: OTHER UNRESOLVED ISSUES

Franchise Area	COMCAST East County Franchise	MHCRC STAFF Proposed Franchise	VERIZON POSITION (As Understood by Staff)
Customer Service: Specific Standards	(Customer Service Standards) Comcast must comply with the cities' and County's cable television consumer protection policy ("customer service standards"). Those standards include, among others: ▶ Local offices conveniently located for subscribers to talk to a customer service representative; pay bills; return or exchange equipment; schedule service appointments; etc.	(Section 9.3) At the April 22 meeting between Verizon and MHCRC staff, Verizon agreed to adhere to the jurisdictions' current Customer Service Standards with two exceptions regarding a local office and seven-day standard installations. Staff and Verizon agreed to address these two issues through a "minor variance" allowed under the franchise and also agreed on particular language (contained in Sections	Unresolved: At the August 12 meeting, Verizon stated that the way Verizon has currently technically configured its national phone system, the system calculates the "90%" standard for on-hold or "transfer calls" using all phone calls received by the company's automated response system, not only those calls that are actually transferred and put on-hold. Therefore, the system doesn't currently provide data about

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	<p>▶ Standard installations are to be completed with seven business days of a subscriber placing an order, 95% of the time.</p> <p>▶ Phones answered within 30 seconds, 90% of time;</p> <p>▶ If the call needs to be transferred to a live customer service representative, the customer hold time shall not exceed 30 seconds, 90% of the time.</p>	<p>9.3.1 & 9.3.2). The MHCRC staff believes these minor variances continue to meet the intent of these two standards in the customer service standards.</p> <p>At the August 12 meeting between Verizon and MHCRC staff, Verizon proposed an additional variance regarding the “telephone responsiveness” standard particular to the hold time when a customer is transferred to a live customer service representative. Staff disagrees with Verizon’s proposal to change how this standard is measured because it would render the standard meaningless and ineffectual. Therefore staff believes this request does not qualify as a “minor variance” under the franchise.</p>	<p>whether or not people are on-hold more than 30 seconds for only transferred calls.</p>
<p>Enforcement: Other Remedies</p>	<p>(Section 23) The Jurisdictions may impose (after due process and based on certain criteria) the following remedies for a material violation of the franchise:</p> <p>▶ financial penalties up to \$1,000 per measure of violation;</p> <p>▶ require Comcast to reduce a rate or fee;</p> <p>▶ require Comcast to grant a subscriber refund;</p> <p>▶ Reduce the franchise term; and/or</p> <p>▶ terminate the franchise.</p>	<p>(Section 14) The Jurisdictions may impose (after due process and based on certain criteria) the following remedies for a material violation of the franchise:</p> <p>▶ financial penalties up to \$1,000 per measure of violation;</p> <p>▶ require Verizon to grant a subscriber refund;</p> <p>▶ reduce the franchise term; and/or</p> <p>▶ terminate the franchise.</p>	<p>Unresolved: Verizon objects to MHCRC having the option to require a subscriber refund or to reduce the franchise term for a material violation of the franchise.</p>
<p>Term</p>	<p>10 years</p>	<p>10 years</p>	<p>Unresolved: Initial Proposal: 15 years</p>

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			Compromise Proposal offered Aug. 12: 10 years
PEG Access	(Section 7) <u>Programming Information for Subscribers:</u> PEG access channels and programming information is included in any program guides provided to subscribers, including, but not limited to on-screen and print program guides.	(Section 7) <u>Programming Information for Subscribers:</u> PEG access channels and programming information will be included, in general, on Verizon's website and printed materials provided to subscribers. Only access channel number assignments will be included on Verizon's guide provided in its channel lineup (Section 7.1.2). As set-top box and other technologies are developed to improve access by subscribers to programming information, Verizon will make a good faith effort to include access to PEG channel programming information in those technology developments (Section 7.3.3).	Unresolved: At the MHCRC staff and Verizon meeting on August 20, Verizon proposed language to resolve this issue which MHCRC staff agreed to. Subsequently, Verizon indicated the need to further review its offered language. At this writing, MHCRC staff has not received further input from Verizon on this issue.

PART III: AGREED PROVISIONS

Franchise Area	COMCAST East County Franchise	MHCRC STAFF Proposed Franchise	VERIZON POSITION (As Understood by Staff)
Service Area	(Section 4 referencing Section 3.30) Cable Service is available to all territory within the boundaries of the cities of Fairview, Wood Village, Troutdale, and Gresham, together with all territory within the boundaries of Multnomah County not included	(Section 4.1) The Initial Service Area for cable services is the same as Verizon's telephone service area. Within the Initial Service Area, Verizon must make cable service available to all homes within three years, with certain exceptions. (See Service Area	Agreed

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	<p><u>Video on Demand (VOD) Capabilities:</u> Includes up to 25 hours, at any given time, of access programming on the video-on-demand (“VOD”) platform to be accessible free of charge to subscribers on the same basis as commercially offered VOD content.</p> <p><u>Live Programming/Video Transport:</u> Ability to simultaneously originate programming from multiple sites; includes any site with an I-Net connection (libraries, schools, government buildings, non-profit organizations are potential live programming sites).</p>	<p><u>Live Programming/Video Transport/Video on Demand:</u> In lieu of providing, and potentially duplicating these capabilities, Verizon is providing some upfront and ongoing funds to enable MetroEast to explore and implement some alternative methods to transport and distribute video programming for the community (Section 7.3.1).</p>	Agreed
Institutional Network	<p>(Section 8) Comcast constructed and operates the I-Net, based on capacity and connectivity direction from the MHCRC, with the I-Net funds available under Section 9 of the franchises (see below).</p>	<p>(Section 7.4) Verizon will construct mutually agreeable I-Net related needs and deduct costs from the I-Net fund (see below).</p>	Agreed
PEG Access & Institutional Capital	<p>(Section 9) 3% of annual Gross Revenues, in addition to franchise fees, dedicated to funding capital costs for public,</p>	<p>(Section 7.5) 3% of annual Gross Revenues, in addition to franchise fees, dedicated to funding capital costs for MetroEast and public,</p>	Agreed

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Funding	<p>education and government use of the cable system and the I-Net.</p> <ul style="list-style-type: none"> ▶ 1% to fund MetroEast’s capital costs. ▶ 1% to fund capital grants through the Community Access Capital Grant program. ▶ 1% to fund I-Net infrastructure and some PEG Institutions’ capital requirements for use of the I-Net. 	<p>education and government use of the PEG access channels, cable system and the I-Net. The funds will be allocated by the MHCRC at its discretion.</p>	
Interconnect of Access Channels	<p>(Section 10.8) Interconnection with all area cable systems to create an area-wide network, including sharing access programming among access providers throughout the metro area.</p>	<p>(Sections 7.2.2, 7.2.4 & 6.3) Interconnection for access channels will take place at MetroEast’s headend and programming center. If other needs arise to implement a “hand-off” of access channels to another cable operator, Verizon will implement a mutually agreed upon technical solution to accomplish this.</p>	<p>Agreed</p>
Monthly Service and Installation to Schools	<p>(Section 10.6) Comcast provides without charge the Basic Service Tier and Cable Programming Service Tiers, and one standard installation to all schools in East County.</p>	<p>(Section 7.3.1) In lieu of duplicating these connections, Verizon is providing some upfront and ongoing funds to enable MetroEast to explore and implement some alternative methods to transport and distribute video programming for the community.</p>	<p>Agreed</p>
Reporting	<p>(Section 20) Comcast must submit an annual</p>	<p>(Section 10.4, 10.5, 10.6) No specific annual report is required.</p>	<p>Agreed</p>

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	compliance report and quarterly and year-end financial statements. The MHCRC may request information and, in consultation with Comcast, specify the form and details to be included in the information in order to verify compliance with or performance of franchise obligations.	Verizon must provide information, as requested by the MHCRC, to verify its compliance with or performance of franchise obligations.	
Technical Performance	(Section 12) Comcast must meet all FCC technical standards and testing programs and must maintain emergency alert and override systems.	(Sections 5.2 & 6) Verizon must meet all FCC technical standards and testing programs and must maintain emergency alert and override systems.	Agreed