



Mt. Hood Cable Regulatory Commission

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

MEETING AGENDA

October 21, 2024

6:30 p.m.

In-Person: Open Signal, 2766 NE Martin Luther King Jr. Blvd, Portland

- Or -

Virtually: Join Zoom Meeting

Join Zoom Meeting

<https://us06web.zoom.us/j/85645718376?pwd=cRL6vcTw4esW5qA7u4aOzhwv4Yj9Ua.1>

Meeting ID: 856 4571 8376

Passcode: 083391

One tap mobile

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- Roll Call
- Chair Reminders – etiquette and public meeting protocols
- Agenda Review
- Disclosures
- Public Comment (non-agenda items)
- Community Media Center Updates
 - MetroEast
 - Open Signal
- Franchisee Activity Report
 - Ziplly
 - Comcast

***CONSENT AGENDA – NO DISCUSSION**

All items listed below may be enacted by one motion and approved as consent agenda items. Any item may be removed from the consent agenda and considered separately if a member of the Commission so requests.

- C1. September 16, 2024 Meeting Minutes





Mt. Hood Cable Regulatory Commission

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REGULAR AGENDA

- *R1. Public Hearing - Comcast Franchise Renewal
 - Staff Presentation
 - Comcast Presentation
 - Other Franchise Holder Comments
 - Public Comment
 - Discussion
 - Action: Resolution 2024-01: Recommend MHCRC Jurisdictions to adopt the franchise agreement renewal with Comcast of Illinois/Ohio/Oregon, LLC

- R2. FY2023-24 MHCRC Year-End Financial Report (unaudited) (information only) 20 min

- R3. MHCRC Strategic Planning (Information Only) 15 min

- Staff Updates
 - Legislative Advocacy Report
 - Compliance Consumer Protection Report
 - Zply Notice of Potential Violation and Opportunity to Cure - Customer Service Standards
 - I-Net End Fund Digital Equity Initiative

- New Business; Commissioner Open Comment

- Schedule:
 - October 29th – Peer Learning event – The Laurelhurst Club 8:00 am – 12:00 pm
 - November – Recess
 - MHCRC Strategic Planning Work Session - Tuesday, December 3, 2024 1:00 pm – 3:00 pm
Location MetroEast/Hybrid
 - Mini Retreat potential dates:
 - Monday, December 16th from **9:00 am – 1:00 pm**
 - Tuesday, December 17th from **9:00 am – 1:00 pm**
 - Tuesday, December 17th from **4:30 pm – 8:30 pm**
 - Wednesday, December 18th from **9:00 am – 1:00 pm**
 - Wednesday, December 18th from **4:30 pm – 8:30 pm**
 - December 16, 2024 – MetroEast/Hybrid
 - January 27, 2025 – Open Signal/Hybrid

- Committee Reports
 - Finance Committee
 - Equity Committee
 - Policy Committee- Monday, October 28, 2024 3:30 pm – 4:30 pm
 - Open Signal Board Appointee
 - MetroEast Board Appointee





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- Public Comment
- Adjourn

*Denotes possible action item

Please notify the MHCRC no less than five (5) business days prior to our event for ADA accommodations at 503-823-5385, by the City of Portland's TTY at 503-823-6868, or by the Oregon Relay Service at 1-800-735-2900.

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MT. HOOD CABLE REGULATORY COMMISSION

Hybrid – Zoom and MetroEast, Gresham, Oregon
September 16, 2024 Meeting Minutes -- **DRAFT**

SUMMARY MINUTES

Call to Order 6:30 PM

Roll Call:

Present: Chair DeGraw, Vice Chair Harden; Commissioner Dennerline; Commissioner Thomas

Absent: Commissioner Goodlow, (excused), Commissioner Wagner (excused)

Staff: Seema Kumar, BPS Chief of Community Technology; Andrew Speer, Utility Manager; Rebecca Gibbons, MHCRC Operations; Rana DeBey, MHCRC Grants Manager; Laura Dyer, MHCRC Compliance Analyst; Douglas Imaralu, MHCRC Finance Manager; Kevin Block, Policy Coordinator; Kathleen Lefebvre, MHCRC Administrative Specialist

- Agenda Review: none.
- Disclosures: none.
- Chair Committee Assignments and Liaison Duties – Chair DeGraw made Committees & Liaison Board Appointments for FY 24-25. The committee and board assignment roster was included in the meeting packet. Chair DeGraw expressed appreciation to all and especially to Commissioner Goodlow for stepping in to Chair the Equity Committee.
- Public Comment (non-agenda items): none.
- Franchisee Activity Report
 - Zply- not present
 - Comcast – Tim Goodman updates the Commission on community projects, including Comcast is the title sponsor for the Hispanic Heritage Gala at the Metro Hispanic Chamber, and sponsorship of the Latino Networks Gala at the Portland Art Museum, Goodman shares other updates including the upcoming MHCRC/Free Geek/Comcast device give-away event on September 29th at PCC Cascade Campus.

*CONSENT AGENDA – NO DISCUSSION

All items listed below may be enacted by one motion and approved as consent agenda items. Any item may be removed from the consent agenda and considered separately if a member of the Commission so requests.

C1. June 17, 2024 Meeting Minutes





Mt. Hood Cable Regulatory Commission

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MOTION: Commissioner Thomas moved to approve the June 17, 2024 meeting minutes with a slight change to the text under R3. to correctly reflect “Scott Harden”. Vice Chair Harden seconded.

VOTE: 4-0 passed

Vice Chair Harden requests history of the franchise renewal negotiations, including emails and meeting notes from meetings with MHCRC Staff and Comcast thus far to be sent to all Commissioners. He is seeking assurance that the MHCRC agreed upon franchise renewal terms have been presented and negotiated. Commissioner Thomas concurred. Andrew Speer, Cable Utility Franchise Manager, will follow up and distribute to Commissioners all documented exchanges between him and Comcast.

REGULAR AGENDA

*R1. Launch the 2025 Community Technology Grant Cycle

Rana DeBey noted staff is recommending the Commission allocate \$1 million for the Community Technology Grant Cycle for FY 2024-25 and that amount includes the Off-Cycle grants program. Staff is recommending that the Commission establish a pre-application deadline of December 5, 2024 with the application window opening up on October 16, 2024. Staff will hold informational meetings in October and November for interested applicants. Pre-applications are due by December 5th through the portal and with initial Commissioner review happening in December and January. At the January meeting the MHCRC Commissioners will decide which pre-applications move forward in the process. Staff will work with applicants to finalize the contracts and MHCRC will approve the contracts at future MHCRC meetings. The off-cycle grants will be approved following the protocol that was previously approved by the Commission. The current approved budget reflects the \$1 million allocation request.

DISCUSSION: Commissioner Thomas suggests a funding limit of \$250,000 to the Off-Cycle grants. This request is due to Off-Cycle grant awards impacting the Competitive Grant budget accordingly and suggests that the Commission designate \$750,000 to the Competitive Grant applications. There is a concern that if we move forward with this request then applicants who are not ready to apply during the competitive cycle may not have a funding opportunity. Commissioners and Staff review the history of the FY23-24 budget and the FY 24-25 budget of the Community Technology Grants. Gibbons notes the current decline in revenue and highlighted that last year we had a surplus of capital funding available due to being fiscally conservative during Covid years, and therefore able to increase the Community Technology Grant in the FY 23- 24 budget to \$2 million.

MOTION: Vice Chair Harden moves to approve an allocation of \$1 million to the 2025 Community Technology Grant cycle with a limit to the amount of funding for Off-Cycle grant awards to no more than \$250K this fiscal year, and approving the proposed deadlines; Commissioner Dennerline seconded

VOTE: 4-0 passed

*R2. CMC Annual Report to Commission (Information Only)





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Courtney Rae, Open Signal Director of Growth, shares a PowerPoint presentation which starts by highlighting Open Signals' mission to nurture the change-making power of community media in service of a just and equitable world. Courtney discusses the Production Cohort which offers one-on-one support, projects highlighted included a documentary on the Burnside skatepark by Kipp Kruger, a profile on nonprofit organization *Friends of Refugees* by Svetlana Dedova, and an animated short reflecting on belonging as a Black woman navigating educational systems by Beryl McNair. Courtney highlighted one of the most impactful program shifts in the past year has been the introduction of "Open Playground" which is a weekly, staff-facilitated, volunteer-crewed studio production. Alumni of this program gain valuable experience and upon finishing the program can apply for Production Services on-call positions. Courtney notes generating local content for broadcast remains a high priority for Open Signal, while recognizing that the communities served often have competing demands on their time compared to those with greater social privilege. Open Signal's distribution team is currently identifying barriers to content submission and expanding outreach efforts. Open Signal's written report includes the following topics and will be distributed to the Commission: Investing in Capacity; Rebuilding Youth-Focused Activities; Fine-Tuning Core Programs; MHCRC Grantees; Fundraising and Foundation Support; and Supporting Government Transition.

Discussion: Chair DeGraw expresses admiration for the Open Playground program, Courtney further shares the program is new as of last winter and is consistently a weekly offering. Courtney invites the Commission to reach out to her or to anyone on the leadership team with additional questions.

Seth Ring, MetroEast Director of Education & Volunteers, shares a PowerPoint presentation which emphasizes MetroEast's focus on their Strategic Priorities. Seth shares details on each of the four Strategic Priorities, highlighting priority communities as the area municipalities, the local educational institutions, surrounding non-profits, and underserved community groups. Seth shared that with the reduction in cable revenue requires MetroEast to grow and diversify income to stay vibrant. The priority to develop shared leadership meant adopting a new staffing model which included changing Board responsibilities. Seth highlights the Mobile Media Lab, this very decorative and visible van provides educational opportunities in the priority communities, providing media training around East County and beyond. Another successful partnership is with Multnomah County Library, offering YouTube and TikTok camps to youth, these trainings are offered on a regular basis. Other organizations that MetroEast served throughout the summer are: Play East! (East County Recreation), SKIP (Summer Kids in the Park), and Play-Grow-Learn LLC. MetroEast also supports Gresham Barlow Schools and Reynolds School District supporting the teachers with skills training and equipment. Seth notes that MetroEast works closely with The Rosewood Initiative, hosting trainings to build up attendees' technology skills. Seth shares that MetroEast modeled their Media Cohort program in a similar style to Open Signal's program and expressed appreciation to Open Signal. The Media Cohort program focuses on serving the underserved, and MetroEast is currently collaborating with the organizations PHAME and It Takes A Village NW, LLC. John Lugton, Head of Production, shares with Commissioners that MetroEast during FY 23/24 had 1670 new programs and 1466 hours of original programming. MetroEast is currently embarking on a survey of 300 people to create a current Community Needs Assessment, the prior one was done in 2016. MetroEast engages with East County working with Gresham Area Chamber of Commerce and League of Women Voters PDX. John shares exciting updates on building and storage system modernization is underway, along with studio upgrades. John speaks to growing and diversifying income streams working with the following organizations: Oregon Arts Commission, PGE Foundation, City of Gresham, The Collins Foundation, OnPoint Community Credit Union, and Miller Foundation.





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MetroEast has rebuilt its Board to represent the community served and highlights that MetroEast is celebrating its 40th anniversary this year. Seth, John and David expressed appreciation for MHCRC and all the support they have received from the Commission over the years.

Discussion: Vice Chair Harden expresses his appreciation for the value MetroEast provides to the East County Communities and highlights the need for continued funding to our Community Media Centers. All Commissioners shared appreciation for MetroEast.

Staff Activity

- Legislative Advocacy Report- Kevin Block gave a report to the Commission, which is included in the Info Only Packet Materials. Block gave the Commission an update that HR3557 American Broadband Deployment Act and noted MHCRC sent a letter to local delegations in opposition to HR3557. Block clarified that the Mixed-Use letter signed by the MHCRC Chair did not take a position, however it was in support of the docket to be re-opened by the FCC, to open an avenue for advocacy. Vice Chair Harden would like to see the City of Portland letter and shares concern that there is not a consideration for MHCRC or the other four MHCRC cities in the advocacy work, hoping in the future that MHCRC can get more involved.
- NATOA Conference – Kevin Block gave a NATOA Conference report to the Committee, also included in the Info Only Packet Materials. MHCRC Staff attended this conference last month and gained valuable insight. Block said the Policy track at the conference was heavily focused on cable franchise and broadband policy issues and was very informative. Block said the conference provides valuable opportunities for staff to engage with leading legal experts from across the country.
- Franchise Compliance Update – Laura Dyer shares the MHCRC Compliance Report which is included in the Info Only Packet Materials. Dyer notes that her request for Commissioner feedback at the June Commission meeting is reflected on this most current Cable Complaints Summary. Dyer worked with 311 at the City of Portland to track services implicated, specifically cable, internet, or a bundle of services. Dyer highlighted that on the Cable Complaints Summary there are no Complaints for Ziplly but this is likely due to low subscribership. There is, however, a pattern of Ziplly Non-Compliance and the Franchise team is watching this issue. Dyer notes that Staff recommends Commissioners approve a notice of Non-Compliance be sent to Ziplly and Commissioners approve this request. Staff notes that Ziplly has not given their formal notice to exit the cable market. Chair DeGraw wants to re-address this at a Policy Committee meeting with an extended invite list to Commissioner Dennerline. Commissioner Thomas highlights that all four East County MHCRC Jurisdictional cities need to be notified of the Ziplly Non-Compliance.
- MHCRC Strategic Planning Update – Rebecca Gibbons updates the Commission that Staff have been working with NEX Strategies presenting MHCRC Educational Sessions at East County City Councils and will very soon will re-engage with Multnomah County. Then, we will have a MHCRC Work Session, with jurisdictional leadership, all Commissioners, NEX Strategies and MHCRC Legal Counsel to provide an opportunity to map out future MHCRC scenarios. Kathleen Lefebvre goes over preliminary dates for the Work Session and the Mini-Retreat.





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- Peer Learning Event – Rana DeBey shares with Commissioners that the 2nd annual Grantee Peer Learning Event will be on Tuesday, October 29th from 8:00 am – 12:00 pm at The Laurelhurst Club and inviting Commissioners to attend this event. The agenda will follow.
- I-NET End Fund Digital Equity Initiative – Rebecca Gibbons shares an event called “Waitlist-Zero” where MHCRC, Free Geek and Comcast will host a Device Give-Away on, Sunday, September 29th at 2:00 pm, at PCC Cascade Campus and requests Commissioners to attend this very exciting event.
- Budget/Accounting/Audit Update – Douglas Imaralu shares fiscal information that will be included in the unaudited report with Commissioners at the October meeting and will be working with OMF and Moss Adams on the MHCRC Financial Reports. Commissioner Thomas requested staff provide an overview of the finance committee meeting schedule.
- **New Business; Commissioner Open Comment** – Vice Chair Harden notes that he will be attend the October meeting virtually. Chair DeGraw notes that we are recruiting for two MHCRC Commissioner appointees, one representing Portland and one representing Multnomah County and please reach out if you have any interested parties.

Committee Reports

- Finance Committee – none.
- Equity Committee – none.
- Policy Committee – none.
- City of Portland Charter Reform Liaison – none.
- Open Signal Board Appointee – none.
- MetroEast Board Appointee – none.

Next MHCRC Meetings:

- October 21
- November: Mini Retreat TBD
- December 16
- January 27
- March 17
- May 19
- June 16

Adjourned: 8:32 PM

Respectfully submitted,
Kathleen Lefebvre



REGULAR AGENDA



Mt. Hood Cable Regulatory Commission

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Troutdale & Wood Village*

COVER SHEET – AGENDA ITEM R2

For Commission Meeting: October 21, 2024

FY2023-24 MHCRC Year-End Financial Report – Unaudited

Staff Recommendation

Information Only

Background/Discussion

The City of Portland administers the financial activities of the Mt. Hood Cable Regulatory Commission (MHCRC) through an Intergovernmental Service Agreement. The City of Portland established a separate agency fund (MHCRC Fund) for the Commission to fiscally manage its revenues and expenditures. The MHCRC Fund includes the revenue collection and expense disbursement of cable franchise fees, the PEG/I-Net Fee, and the MHCRC annual operations budget.

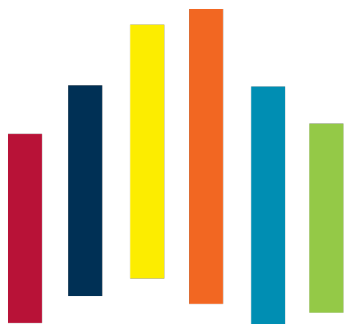
The purpose of the Annual Year-End Financial Report (Unaudited) is to provide the MHCRC an informal report about the MHCRC's financial activities and status of certain elements of the MHCRC's Fund at year end. This report is intended as informational only.

The MHCRC's annual audited financial statements provide an outside audit and technical accounting status of the MHCRC Fund. The MHCRC Finance Committee annually reviews and approves the Fund financial statements, and the full Commission accepts the annual audit, at the December MHCRC meeting.

Attachments: FY2023-24 MHCRC Year-End Financial Report (Unaudited)

Prepared By: Douglas Imaralu
October 21, 2024





MHCRC

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

MHCRC YEAR-END FINANCIAL REPORT – FY 2023-24 (Unaudited)

The purpose of the annual Year-End Financial Report (unaudited) is to provide the MHCRC an informal, informational report about the MHCRC's financial activities and status of certain elements of the MHCRC's Fund at year end. This report is intended as informational. The MHCRC's annual audited financial statements provide an outside audit and technical accounting status of the MHCRC Fund.

The annual year-end Financial Report consists of the following:

Page 2: Fiscal Year 2023-24 Overview

- Financial overview for the fiscal year.
- High level summary of MHCRC Fund activities.

Pages 3-6: Trend Analysis, Resources and Disbursements

- Cable Franchise Fee Trend
- Cable TV Subscriber Trend
- Franchise Fee Disbursements -- East County Jurisdictions
- Franchise Fee Disbursements – City of Portland
- Funding Support for Community Media Centers & Community Grants

Page 7: MHCRC's Operations Budget to Actual

This section summarizes the MHCRC's budget-to-actual operations budget, including revenues and expenditures by administrative/regulatory and capital fund compliance programs.

Page 8: Fund Interest Balance History

This section details the interest earned on the MHCRC Fund and the amount expended during a fiscal year for the MHCRC operational budget.

Page 9: Revenues and Disbursements by Major Categories

This section itemizes revenues, expenditures, and allocations by major categories:

- Cable Franchise Fees
- MHCRC PEG/I-Net Fee Capital Fund

Page 10: Revenues Comparison, FY 2022-23 vs. FY 2023-24

This section compares the MHCRC FY 2023-24 revenues and community media organizations' funding to the previous fiscal year.

Prepared By:

Douglas Imaralu, Bureau of Planning and Sustainability, Community Technology Finance Lead and MHCRC Finance Manager

Overview

REVENUES:

The MHCRC oversaw the collection of \$6,000,449 in cable franchise fees for FY 2023-24. Both Portland and the East Multnomah County jurisdictions continued the decline in franchise fees, which began in FY 2017-18. Portland's fees have seen about a 10.2% decrease in the last fiscal year. For the East County jurisdictions, franchise fees have decreased by 5.4% in FY 2023-24, partly driven by Ziplify's continued exit from the market and the decline of cable subscribers.

In FY 2023-24, the MHCRC collected \$3,659,225 in PEG Fee revenues from the cable franchises, a 10.1% decrease from the previous fiscal year. However, the MHCRC Fund gained \$276,473 in interest revenue in the same period.

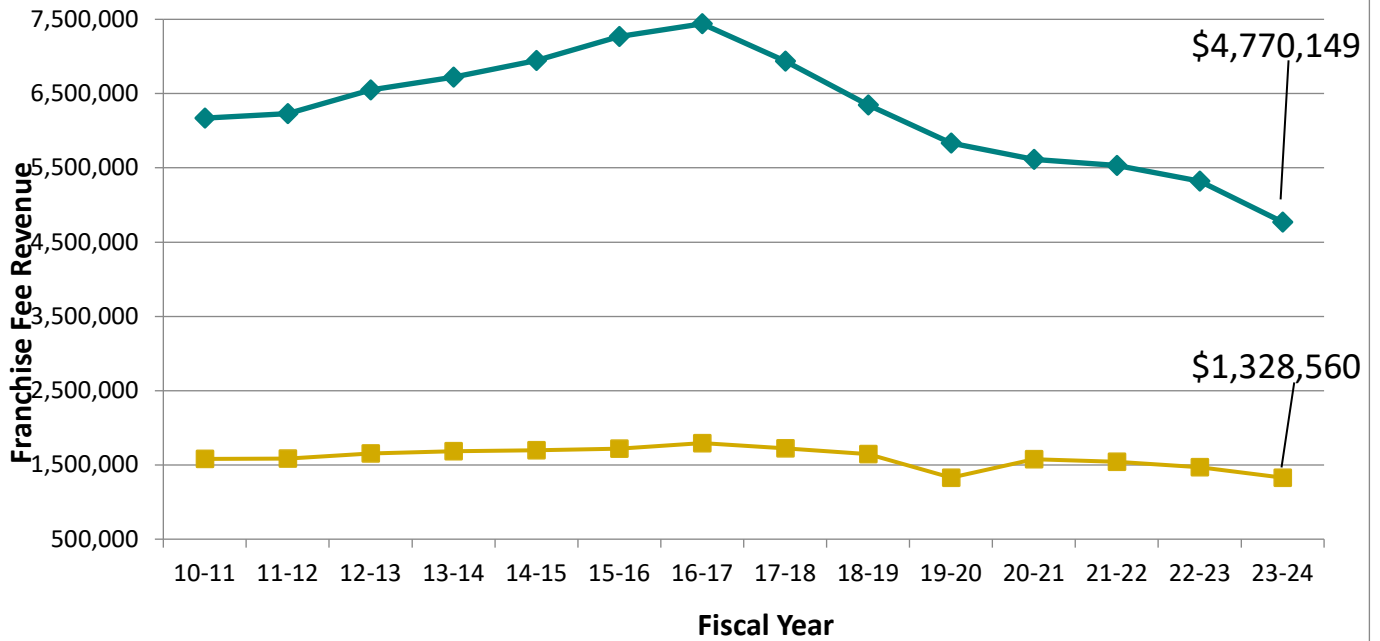
EXPENDITURES:

- **MHCRC Operations Budget:** The MHCRC underspent its Operations budget mostly related to delayed legal expenses for franchise negotiations that are ongoing.
- **Community Media Funding:** The MHCRC oversaw the disbursement of operational and capital dollars for the two community media centers as follows:
 - a) MetroEast Community Media: \$738,177 from East County franchise fees, a reduction of 5.4% from the previous fiscal year, and \$916,146 in capital funds.
 - b) Open Signal: \$1,053,543 from the City of Portland general fund, an increase of 5%, \$58,955 from West Multnomah County franchise fees, and \$1,713,642 in capital funds.
- **Community Technology Grants:** In FY 23-24, the MHCRC expended \$1,490,703 through the Community Technology Grants program.

PEG/I-NET FEE CAPITAL FUND SUMMARY:

The MHCRC PEG/I-Net Fee capital fund is a component of the discrete MHCRC Fund managed within the City of Portland's financial system. The capital fund compliance program budget, community media capital, and grants are funded by these dollars. At the end of FY 2023-24, the fund had \$1,551,708 in remaining balance for the capital compliance program.

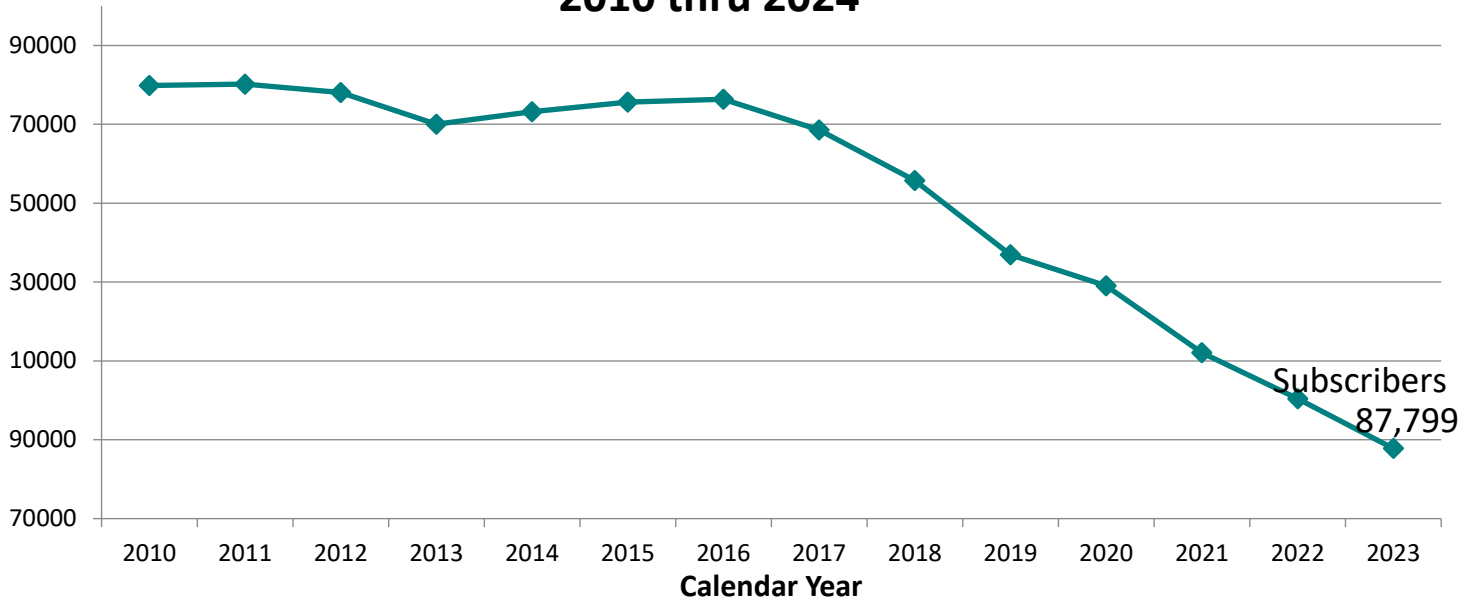
Cable Franchise Fee Trend FY2010-11 thru FY2022-24



Franchise Fee Revenue

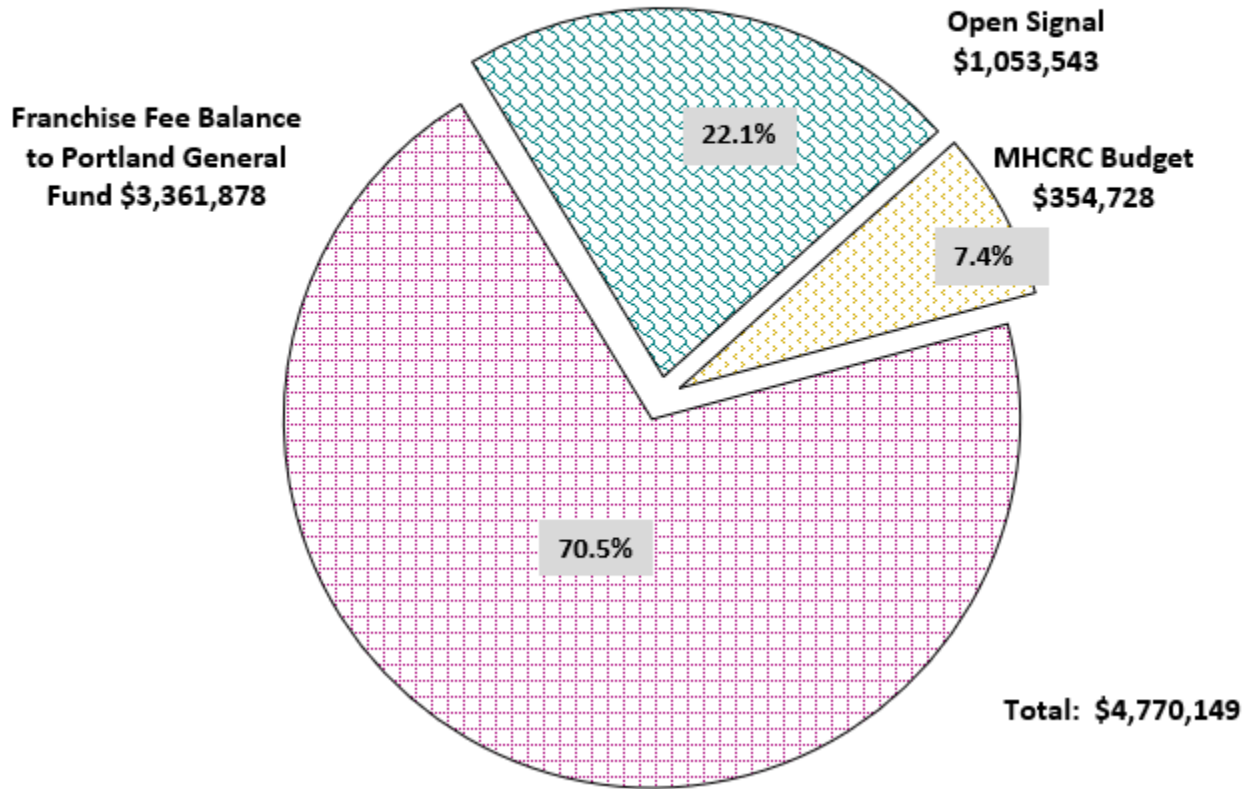
Portland	East County	Fiscal Year
\$6,232,244	\$1,586,137	11-12
\$6,548,700	\$1,654,359	12-13
\$6,719,325	\$1,685,059	13-14
\$6,944,159	\$1,696,654	14-15
\$7,270,259	\$1,718,578	15-16
\$7,439,910	\$1,793,829	16-17
\$6,937,752	\$1,724,113	17-18
\$6,389,707	\$1,643,235	18-19
\$5,892,358	\$1,543,947	19-20
\$5,653,308	\$1,577,838	20-21
\$5,533,506	\$1,543,947	21-22
\$5,319,260	\$1,467,299	22-23
\$4,770,149	\$1,328,500	23-24

Cable TV Subscribers 2010 thru 2024

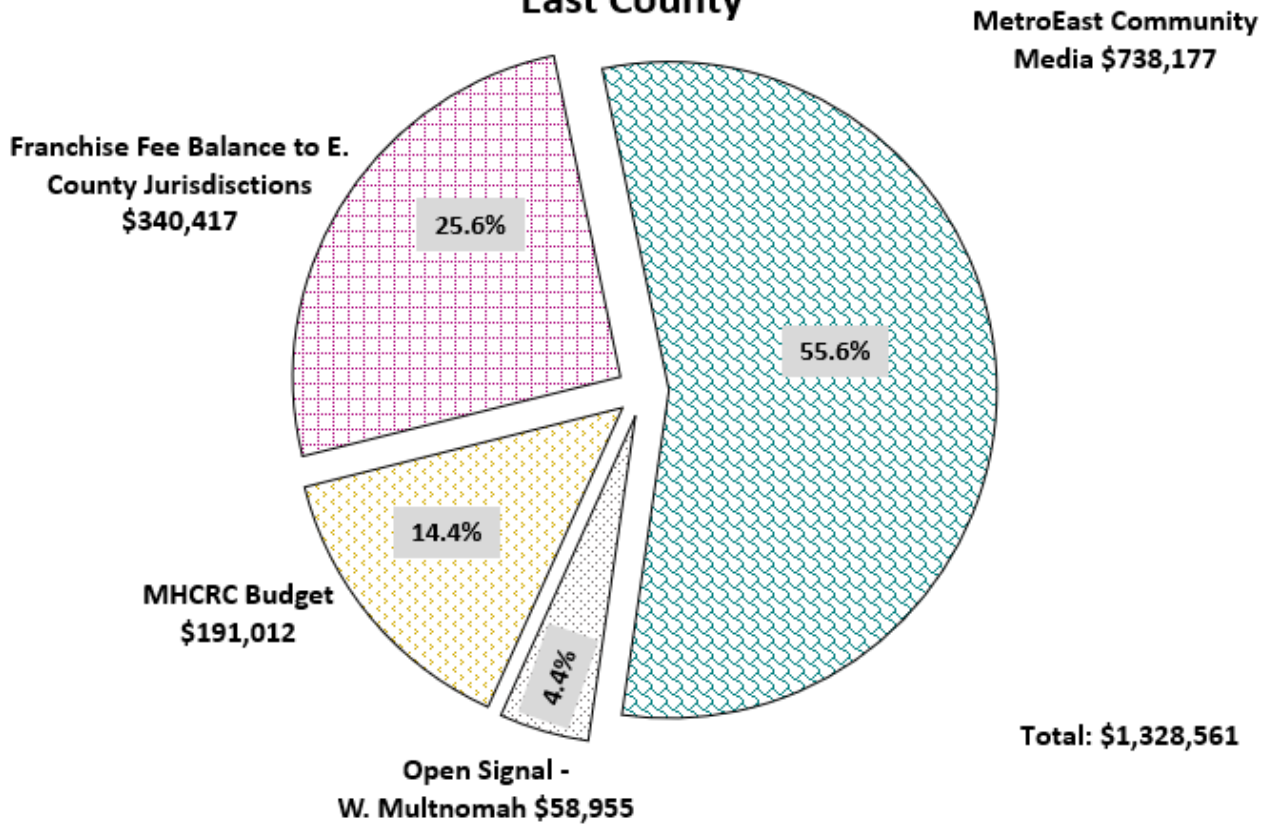


Subscribers	Year
180,204	2011
178,032	2012
169,997	2013
173,206	2014
175,616	2015
176,396	2016
168,575	2017
155,782	2018
136,923	2019
129,044	2020
112,055	2021
100,399	2022
87,799	2023

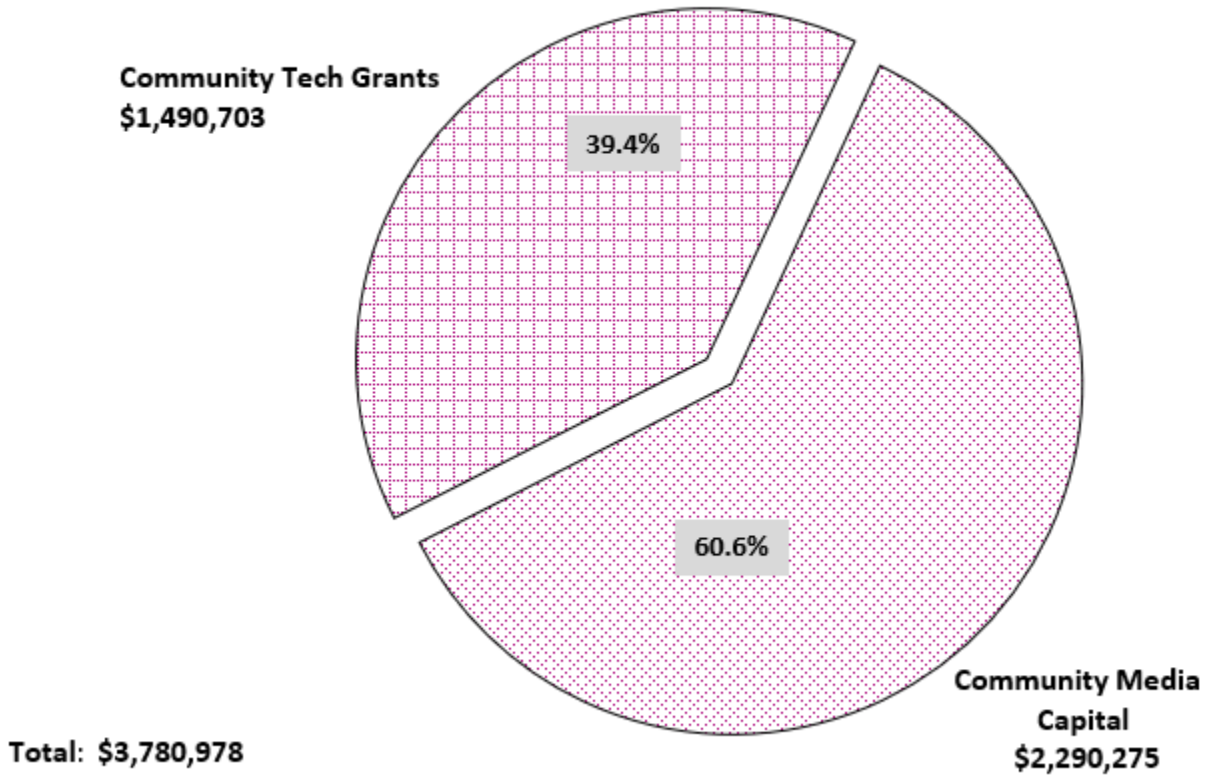
**Cable Franchise Fee Disbursements
FY2023-24
Portland**



Cable Franchise Fee Disbursements FY2023-24 East County



Funding Support for Community Media & Grants FY2023-24 (based on PEG Funds)



**MHCRC Operations Budget to Actual - Revenues and Expenditures
FY2023-24**

MHCRC Administrative / Regulatory Program		
Revenues	Budget	Actual
City of Portland Appropriation	\$354,728	\$354,728
East County Appropriations	191,012	191,012
FY 21-22 Carryover	170,000	0
Interest Revenue Allocation	298,044	3,686
Total Revenues	\$1,013,784	\$549,426
Expenditures		
Personnel	\$521,310	\$375,659
Professional Services	154,631	82,172
External Materials & Services	118,123	9,635
External Fund Audit		9,708
Internal Materials & Services	82,817	72,252
GF Overhead (annual)		
Contingency		
Total Expenditures	\$876,881	\$549,426
Net Unspent Juris Appropriations	\$136,903	\$0

MHCRC Capital Fund Compliance Program		
Revenues	Budget	Actual
Fund Compliance Admin	\$568,716	\$227,728
Total Revenues	\$568,716	\$227,728
Expenditures		
Personnel Services	\$265,244	\$189,866
Professional Services	150,000	4,307
External Materials & Services	116,119	23,960
External Fund Audit		4,782
Internal Materials & Services	37,353	4,813
GF Overhead		
Contingency		
Total Expenditures	\$568,716	\$227,728
Net Compliance Program	\$0	\$0

Interest Fund Balance History					
FY 2005-06 through FY 2023-24					<i>A=Actual</i>
Fiscal Year	Interest Earned	Net Admin. Program	Change	Cumulative Balance	A
			Beg. Balance	\$196,968	A
FY2005-06	\$100,333	(\$99,294)	\$1,039	\$198,007	A
FY2006-07	\$171,764	(\$92,312)	\$79,452	\$277,458	A
FY2007-08	\$181,699	(\$92,771)	\$88,928	\$366,386	A
FY2008-09	\$126,158	(\$109,703)	\$16,455	\$382,841	A
FY2009-10	\$71,976	(\$98,233)	(\$26,257)	\$356,584	A
FY2010-11	\$32,395	(\$109,045)	(\$76,650)	\$279,934	A
FY2011-12	\$34,324	(\$129,708)	(\$95,384)	\$184,550	A
FY2012-13	\$30,329	(\$66,281)	(\$35,952)	\$148,598	A
FY2013-14	\$43,567	\$0	\$43,567	\$192,165	A
FY2014-15	\$57,577	\$0	\$57,577	\$249,742	A
FY2015-16	\$91,898	(\$4,949)	\$86,949	\$336,691	A
FY2016-17	\$136,434	\$0	\$136,434	\$473,125	A
FY2017-18	\$184,274	\$0	\$184,274	\$657,399	A
FY2018-19	\$291,297	\$0	\$291,297	\$948,696	A
FY2019-20	\$265,053	\$0	\$265,053	\$1,213,749	A
FY2020-21	\$95,194	(\$3,686)	\$91,508	\$1,305,257	A
FY2021-22	\$58,380	(\$3,686)	\$54,694	\$1,359,951	A
FY2022-23	\$ 151,352	(\$92,586)	\$58,766	\$1,418,717	A
FY2023-24	\$ 276,473	(\$298,044)	(\$21,571)	\$1,397,146	A

**MHCRC Fund - Revenues and Disbursements by Major Categories
FY 2023-24**

Cable Franchise Fee Revenues and Expenditures - MHCRC Fund		
Revenues		
Comcast	\$1,282,853	
Frontier/Zipty	\$45,707	
		Total Revenues <u><u>\$1,328,560</u></u>
Expenditures		
Franchise Fee Balance to East County Jurisdictions	\$340,417	
MetroEast - Franchise Fees, East County	\$738,177	
PCM - Franchise Fees, Multnomah West	\$58,955	
MHCRC Admin. Budget, East County Share	\$191,012	
		Total Expenditures <u><u>\$1,328,561</u></u>

MHCRC PEG-I-Net Fee Revenues - Capital Expenditures/Allocations		
		Beginning Balance \$9,221,766
Revenues		
PEG/I-Net Fee		Total Revenues <u><u>\$ 3,659,225</u></u>
Expenditures		
Capital Fund Compliance Program	227,728	
Community Media Capital	2,290,275	
		Total Expenditures <u><u>\$2,518,003</u></u>
Grants Awarded		
Community Technology Grants	1,490,703	
		Total Grants Awarded <u><u>\$1,490,703</u></u>
		* Available Balance \$8,872,285

* Available Balance - Detail		
Fund Compliance Program	\$	1,569,053
PEG/I-Net fee rev		\$7,303,232
		Available Balance <u><u>\$ 8,872,285</u></u>

Revenues - Actuals Comparison

FY2022-23 vs FY2023-24

Cable Franchise Fees	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Change	% Change
Portland	\$ 6,389,707	\$ 5,832,670	\$ 5,653,308	\$ 5,533,506	\$ 5,319,260	\$ 4,770,149	\$ (549,111)	-10.3%
East County, Comcast	\$ 1,425,934	\$ 1,403,971	\$ 1,441,443	\$ 1,282,853	\$ 1,296,372	\$ 1,184,593	\$ (111,779)	-8.6%
East County, Frontier (Ziply)*	\$ 216,979	\$ 183,626	\$ 136,396	\$ 45,707	\$ 69,953	\$ 45,707	\$ (24,246)	-34.7%
Franchise Fees Total	\$ 8,032,620	\$ 7,420,267	\$ 7,231,147	\$ 6,862,066	\$ 6,685,585	\$ 6,000,449	\$ (685,136)	-10.2%
PEG/I-Net Fees	\$ 4,795,297	\$ 4,488,043	\$ 4,338,687	\$ 4,246,471	\$ 4,071,934	\$ 3,659,225	\$ (412,709)	-10.1%
Fund Interest	\$ 291,297	\$ 265,053	\$ 95,194	\$ 58,380	\$ 151,352	\$ 276,473	\$ 125,121	82.7%

* Cascade and CenturyLink were included in these totals prior to their exits in FY2019-20 and FY2020-21 respectively.

Community Media Centers Payments - Actuals Comparison

Fiscal Year 2022-23 vs 2023-24

Open Signal	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Change	% Change
Portland General Fund	912,514	929,587	936,857	955,594	\$ 1,003,374	\$ 1,053,543	\$ 50,169	5.0%
Multnomah West Franchise Fees	63,149	62,940	62,511	62,375	\$ 60,585	\$ 58,955	\$ (1,630)	-2.7%
Community Media Capital	881,426	902,580	1,249,872	939,946	\$ 1,566,360	\$ 1,713,642	\$ 147,282	9.4%
Total	1,857,089	1,895,107	2,249,240	1,957,915	\$ 2,630,319	\$ 2,826,140	\$ 195,821	7.4%

MetroEast Community Media	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Change	% Change
East County Franchise Fees	923,540	889,618	884,189	863,994	\$ 819,790	\$ 738,177	\$ (44,204)	-5.4%
Community Media Capital	587,616	601,719	833,248	626,630	\$ 1,044,240	\$ 916,146	\$ 417,610	40.0%
Total	1,511,156	1,491,337	1,717,437	1,490,624	\$ 1,864,030	\$ 1,654,323	\$ 373,406	20.0%



Mt. Hood Cable Regulatory Commission

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

COVER SHEET – AGENDA ITEM #R3

For Commission Meeting: October 21, 2024

“MHCRC Strategic Planning – Scenarios”

Staff Recommendation

Information Only

Background

In December 2023, the Commission contracted with NEX Strategies to conduct a strategic planning process that 1) educated key decision makers and stakeholders about the role and function of the Commission and the cable and communications policy landscape, 2) engaged in research and analysis of needs and interests of each of the jurisdictions and key stakeholders, and 3) built consensus around recommendations for the future of the Commission and the community media centers.

In addition to working closely with NEX Strategies, staff engaged the services of legal experts, Bradley Werner, LLC, to develop a document that would help the Commission, jurisdictions, and stakeholders to navigate a complex decision-making tree that considers the varying forms the Commission could take going forward. The content of this document is informed by staff’s and Nancy Werner’s extensive knowledge and research into the current and potential future policy landscape as well as one-on-one interviews conducted by NEX Strategies with Commission members, staff at each of the jurisdictions, the community media centers, and other key stakeholders.

Scenarios

As part of the ongoing process to evaluate the future structure and role of the Commission, attached is a DRAFT Scenarios Chart. The scenarios outlined in the chart are still in draft form and are meant to serve as a starting point for your thoughts and considerations. These options represent a range of possibilities, from maintaining the current structure with adjustments to exploring more transformative changes. While we won’t dive into the details about the various options at the October Commission meeting, we wanted to give you this early look so that you can begin to formulate ideas and questions.

We encourage you to reflect on these options individually and engage in discussions with your fellow commissioners, the communities you represent, and your jurisdiction’s city managers. These conversations will help us build a shared understanding of the various possibilities before our upcoming work session with the city managers, scheduled for December 3.

We look forward to hearing your insights and engaging in a robust dialogue as we move forward in this important process.

Attachments: DRAFT Scenarios Chart

Prepared By: Rebecca Gibbons
October 11, 2024





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CURRENT COMMISSION FRAMEWORK AND RESPONSIBILITIES:

The Mt. Hood Cable Regulatory Commission was established by an intergovernmental agreement pursuant to Oregon Revised Statutes (ORS) Chapter 190, which allows local governments to create an intergovernmental entity as a separate legal entity from the member jurisdictions. Under Oregon law, ORS 190 entities like the Commission are subject to the same laws as the jurisdictions, including public meetings and public records laws and public contracting/procurement rules.

The current Commission is governed by a Board comprised of one representative from every jurisdiction, except that Portland has three representatives. Pursuant to the intergovernmental agreement forming the Commission, the Commission is tasked with cable franchise negotiations and management, consumer complaint resolution, technology grants, advocacy and support for Community Media Centers. The Commission also serves as an advisory body to the Jurisdictions on matters relating to cable communications and function as the Jurisdictions' representative for regional, state, or national cable communications policy matters. The Commission currently contracts for staff and other support services through a services agreement with the City of Portland. The Commission funds an equivalent of 4.0 full-time (FTE) staff positions plus related materials, services, financial and administrative costs. Each member jurisdiction annually contributes to the Commission's operating budget. The jurisdictions' fund about half the operating budget and other MHCRC resources fund the remaining portion.

The Commission supports two Community Media Centers, MetroEast Community Media and Open Signal. Gresham, Troutdale, Fairview, Wood Village and unincorporated Multnomah County (the "East County Jurisdictions") contribute sixty percent (60%) of their cable franchise fees to support the operations of MetroEast through a grant agreement between the Commission and MetroEast. Portland supports Open Signal's operations through a grant agreement between Open Signal and the City of Portland. Both Community Media Centers receive a portion of the PEG capital funding, which is currently three percent (3%) of the cable operators' gross revenue from cable services, pursuant to grant agreements with the Commission.

Another portion of the PEG capital funding is allocated to the Community Technology Grants program, which provides funding for technology projects to nonprofit organizations, libraries, educational institutions, and local government agencies throughout Multnomah County to produce video content to be shared on the Community Media Center channels to support project-related goals and objectives.



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SCENARIO	ACTION REQUIRED	ISSUES AND CONSIDERATIONS
MAINTAIN COMMISSION STRUCTURE AND MAINTAIN CITY OF PORTLAND AS STAFF		
<p>Maintain Current Commission Structure; Update IGA and Services Agreement with Portland as Needed; Additional Contributions from Jurisdictions As Needed</p> <p>This scenario represents the status quo, but with minor updates to the intergovernmental agreement and services agreements to eliminate outdated provisions; when franchise and PEG revenue falls too low, the jurisdictions may need to provide additional contributions to fund the Commission.</p> <p><i>Example:</i> Current Commission; similar to the Mid-Willamette Valley Cable Regulatory Commission (“MWVCRC”), representing the City of Salem and Marion County, which contracts with both the City and the County for administrative and other support, and may use legal counsel from either the City or the County.</p>	<ul style="list-style-type: none"> IGA amendments must be authorized in writing by the governing bodies of all jurisdictions (IGA § 14.D). The Commission is authorized to amend the services agreement (IGA § 7; services agreement does not include amendment provisions so presumably it is by mutual agreement of the Commission and Portland). 	<p>When and at what levels will jurisdictions need to increase franchise fee contributions to continue adequate support for the Commission and media centers? Are jurisdictions willing to do so?</p> <p>Does the voting structure need to be changed?</p> <p>How long can the Commission continue to provide the same support to the Community Media Centers given declining revenues?</p> <p>This does not address declining franchise fees and PEG fees, other than possibly increasing the jurisdictions’ contributions.</p>
<p>Maintain Current Commission Structure and Add Other</p>	<ul style="list-style-type: none"> Amend IGA to expressly authorize the Commission to assist jurisdictions 	<p>Several jurisdictions already have updated ROW ordinances that require licenses, not</p>



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Communications Services to Commission Responsibilities

In this scenario, the jurisdictions contribute additional revenue to Commission and Commission provides additional services related to other communications services, including telecommunications and broadband.

Example: Metropolitan Area Communications Commission (“MACC”), which represents 14 cities and unincorporated Washington County; MACC’s intergovernmental agreement, as amended in 2002, authorizes the commission, among other things, to negotiate, administer, and regulate communications and information services franchises and agreements for the member jurisdictions on a common, or individual, jurisdictional basis.

The current Commission intergovernmental agreement authorizes the Commission to oversee and regulate any cable communications system operated pursuant to the cable communications franchise agreements, with “cable communications system” defined as “a system ... designed and

with non-cable matters. (Note that the definition of “cable communications system” in the IGA is not as narrow as the Cable Act definition of cable system and one could argue it is broad enough as written to include non-cable services that are related to “audio, video, digital or other forms of electronic or electrical signals.” Clarifying the intent would be helpful.)

- Amendments must be authorized in writing by the governing bodies of all jurisdictions (IGA § 14.D).

negotiated franchise agreements. Can the Commission help with enforcement of these existing ordinances?

Can/should the Commission help other jurisdictions draft ROW ordinances or negotiate telecom franchises?

Should each jurisdiction have similar ordinances to ease enforcement? Would jurisdictions be open to that?

Are jurisdictions willing to pay the Commission for these services?

Would the non-cable funding be used to support the Community Media Centers?

Are there other sources of funding the Commission could pursue if it had a broader mandate, *e.g.*, grant funding for broadband and digital equity purposes?

Federal regulations (*i.e.*, the FCC’s Mixed-Use Rule) prevent the jurisdictions from imposing fees on cable operators’ broadband services. Will this reduce the revenue potential to the point that even adding fees from communications services cannot support the Commission?



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constructed for the purpose of producing, receiving, amplifying, storing, processing or distributing audio, video; digital or other forms of electronic or electrical signals.”

Some broadband providers are refusing to pay franchise/ROW fees on their broadband services because under the Mixed-Use Rule cable operators do not have to pay fees on that revenue, and because under Oregon law (ORS 221.515), incumbent phone companies have a limited revenue base that excludes broadband revenue, at least with respect to certain types of local fees. Will this reduce the revenue potential to the point that even adding fees from communications services cannot support the Commission?

Can the Commission support efforts to repeal these rules/statutes to address this issue? Is that service of value to the jurisdictions?

Under Oregon law, counties cannot impose fees on telecommunications providers' use of the rights-of-way. How does this impact the County's participation in this scenario? Should there be an effort to repeal that statute?

Are the additional services optional or mandatory? If optional, how many jurisdictions need to opt in for it to work financially for the Commission?



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		<p>This does address the declining franchise and PEG fees to some extent, though there are legal issues to resolve.</p>
<p>Maintain Current Commission Structure and Add New Member Cities to Commission</p> <p><i>Example:</i> MACC added a new jurisdiction in 2011, increasing franchise and PEG fee revenue.</p>	<ul style="list-style-type: none"> • Commission develops a method for allowing other local governments to join (IGA § 14.C). 	<p>Are there any jurisdictions that might want to join?</p> <p>What, if any, issues need to be considered if adding cities that are not in Multnomah County?</p> <p>PEG service could be complicated if new members have existing channels and/or need a connection to MetroEast or Open Signal.</p> <p>How much additional cost would this create for the Commission? How much revenue?</p> <p>This addresses declining franchise fees and PEG fees to some extent, assuming additional jurisdictions contribute a portion of their franchise and PEG fees to the Commission.</p>
<p>Form New ORS 190 Entity Among East County Jurisdictions that Contracts with Portland for Services</p> <p>Oregon Revised Statutes (ORS) Chapter 190 allows local governments to enter</p>	<ul style="list-style-type: none"> • Mutual agreement of the jurisdictions to dissolve Commission (IGA § 13). • Wind up Commission affairs: Pay obligations; distribute assets to existing jurisdictions in proportion to 	<p>What cost savings, if any, could be realized with a new, smaller commission?</p> <p>Can the East County jurisdictions fund the overhead related to a commission (e.g.,</p>



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<p>into an agreement to create an intergovernmental entity, which must be approved by a vote of the founding governments' governing bodies, to which the jurisdictions delegate specific governmental responsibilities. The current Commission is an ORS 190 entity.</p> <p>In this scenario, the East County jurisdictions would form a separate intergovernmental entity (an "ORS 190 Entity"). The new ORS 190 Entity would contract with Portland for the services Portland currently provides the Commission: cable franchise negotiations and management, consumer complaint resolution, technology grants, and advocacy.</p> <p>The new ORS 190 Entity likely would have a similar structure to the current Commission, with jurisdictions having representation on a board that would direct and review Portland's services. The jurisdictions would retain the authority they retain under the current IGA, which includes authority over decisions to grant, revoke, terminate, extend, amend, renew or refuse to renew a franchise agreement; decisions concerning a change of ownership or control of a cable system or company; decisions to terminate or revoke</p>	<p>most recent budget cost allocation percentage (IGA § 12)).</p> <ul style="list-style-type: none"> • Terminate services agreement (requires at least 90 days' notice if termination is mutually agreed upon; if no mutual agreement, one party must give notice by December 31st of the desire to terminate effective the following July 1st per Services Agreement § 11); amendment may be possible instead of termination. • Draft new intergovernmental agreement establishing a new ORS 190 Entity for East County jurisdictions to approve. • Draft new services agreement between Portland and East County jurisdictions. • Renegotiate grant agreements with Community Media Centers. 	<p>drafting agendas, public notices and meetings, drafting minutes, etc.)?</p> <p>Does the Commission's current bargaining power shift if the East County jurisdictions have a separate commission? Would a shift help or hurt the new commission? Portland?</p> <p>How would PEG capital funds be split?</p> <p>Could the East County jurisdictions continue to fund the current Commission's work on communications policy and legislative advocacy and work on digital equity and inclusion?</p> <p>Is this model sustainable if not all East County jurisdictions wish to join?</p> <p>What is the process by which a new ORS 190 Entity would be established in the context of the current Commission?</p> <p>This does not address declining franchise fees and PEG capital funds.</p>
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<p>a franchise; and decisions regarding adoption of cable regulations.</p> <p>Portland would not be part of the new ORS 190 Entity and would perform its cable franchises and related services on its own behalf with internal staff.</p> <p><i>Example:</i> This model follows the existing Commission model, but with a different configuration of jurisdictions within the new commission.</p>		
<p>RETAIN A COMMISSION STRUCTURE WITHOUT CITY OF PORTLAND STAFF</p>		
<p>Maintain Commission Structure; Update IGA to Remove Obligation to Contract with Portland for Services; Enter Services Agreement(s) with Third Party; Additional Contributions from Jurisdictions As Needed</p> <p>In this scenario, the Commission continues but no longer contracts with Portland for staff and services. Staff and services would be provided in-house by new commission employees, from third party contracts, and/or other member jurisdictions. When franchise and PEG revenue falls too low, the jurisdictions</p>	<ul style="list-style-type: none"> • IGA amendments must be authorized in writing by the governing bodies of all jurisdictions (IGA § 14.D). • Terminate services agreement (requires at least 90 days’ notice if termination is mutually agreed upon; if no mutual agreement, one party must give notice by December 31st of the desire to terminate effective the following July 1st per Services Agreement § 11). • Identify and negotiate agreement(s) with new services agreement with third party(ies) and other jurisdictions, and/or hire new staff. 	<p>Is it possible to find third party support for the services Portland currently provides? Third party legal and technical consultants are available (and the Commission currently uses them); Commission staff may be direct Commission employees, contract employees, and/or other jurisdictions may wish to provide staff similar to the current model.</p> <p>Would hiring new Commission staff or engaging with third parties for staff services be more or less expensive? Would cost savings outweigh the loss of institutional knowledge?</p>



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<p>may need to provide additional contributions to fund the Commission.</p> <p><i>Example:</i> Similar to MACC in that no jurisdictions provide services to the commission, or it could be modeled on MWVCRC, where different jurisdictions provide different services.</p>	<ul style="list-style-type: none"> Renegotiate grant agreements with Community Media Centers. 	<p>When and at what levels will jurisdictions need to increase franchise fee contributions to continue adequate support for the Commission? Are jurisdictions willing to do so?</p> <p>Would this scenario impact funding for the Community Media Centers?</p> <p>Would this impact the current Commission’s work on communications policy and legislative advocacy and work on digital equity and inclusion?</p> <p>Are there other sources of funding the Commission could pursue, e.g., grant funding for broadband and digital equity purposes?</p> <p>This does not address declining franchise fees and PEG fees, other than possibly increasing the jurisdictions’ contributions.</p>
<p>Form New ORS 190 Entity Among East County Jurisdictions that does not Contract with Portland for Services</p> <p>In this scenario, the East County jurisdictions form an ORS 190 Entity and find their own staff, consultants/legal counsel for negotiating renewals,</p>	<ul style="list-style-type: none"> Mutual agreement of the jurisdictions to dissolve Commission (IGA § 13) Wind up Commission affairs: Pay obligations; distribute assets to existing jurisdictions in proportion to most recent budget cost allocation percentage (IGA § 12)). 	<p>Can the East County jurisdictions fund the overhead related to a commission (e.g., drafting agendas, public notices and meetings, drafting minutes, etc.)?</p> <p>Can the East County jurisdictions fund the cost of franchise renewals and enforcement?</p>



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<p>enforcement, etc. Portland would no longer be part of a commission and would not provide services to the new commission.</p> <p>The new ORS 190 Entity likely would have a similar structure to the current Commission, with jurisdictions having representation on a board that would direct and review services. The jurisdictions would retain the authority they retain under the current IGA, which includes authority over decisions to grant, revoke, terminate, extend, amend, renew or refuse to renew a franchise agreement; decisions concerning a change of ownership or control of a cable system or company; decisions to terminate or revoke a franchise; and decisions regarding adoption of cable regulations.</p> <p><i>Example:</i> This model follows the model of MACC and other cable commissions (in Minnesota, for example), which provide some services in-house, typically with outside consultants unaffiliated with member jurisdictions to assist with legal issues and franchise renewals. MACC has in-house PEG operations as well, as do other cable commissions. This scenario also could be similar to the MWVCRC,</p>	<ul style="list-style-type: none"> • Terminate services agreement (requires at least 90 days' notice if termination is mutually agreed upon; if no mutual agreement, one party must give notice by December 31st of the desire to terminate effective the following July 1st per Services Agreement § 11). • Draft new intergovernmental agreement for East County jurisdiction to approve. • Identify new service provider(s) and draft/negotiate new services agreement(s). • Renegotiate grant agreements with Community Media Centers. 	<p>What bargaining power do the East County jurisdictions have without Portland?</p> <p>How would PEG capital funds be split? Does the current arrangement—Portland supporting Open Signal and the East County jurisdictions supporting MetroEast—provide for an easy transition and continued levels of funding?</p> <p>Could the East County jurisdictions continue to fund the current Commission's work on communications policy and legislative advocacy and work on digital equity and inclusion?</p> <p>Is this model sustainable if not all East County jurisdictions wish to join?</p> <p>What is the process by which a new ORS 190 Entity would be established in the context of the current Commission?</p> <p>This does not address declining franchise fees and PEG capital funds.</p>
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<p>which contracts with both the City and the County for administrative and other support, and may use legal counsel from either the City or the County.</p>		
<p>ABANDON COMMISSION STRUCTURE</p>		
<p>Dissolve Commission; Enter into New Intergovernmental Agreement (not ORS 190 Entity) Among All Jurisdictions for Support from Portland</p> <p>Oregon Revised Statutes Chapter 190 authorizes local governments to enter into intergovernmental agreements (“IGA”) that may, among other things, allow one party to perform any or all functions and activities that a party to the agreement has authority to perform. This type of IGA is a contractual arrangement designating a party or parties to undertake certain actions on behalf of the other parties. This is different from an ORS 190 Entity, which is formed through an IGA, but is a separate legal entity from the jurisdictions that create it.</p>	<ul style="list-style-type: none"> • Mutual agreement of the jurisdictions to dissolve the Commission (IGA § 13). • Wind up Commission affairs: Pay obligations; distribute assets to existing jurisdictions in proportion to most recent budget cost allocation percentage (IGA § 12)). • Draft new intergovernmental agreement for each jurisdiction to approve. • Terminate services agreement (requires at least 90 days’ notice if termination is mutually agreed upon; if no mutual agreement, one party must give notice by December 31st of the desire to terminate effective the following July 1st per Services Agreement § 11); amendment may be possible instead of termination. 	<p>Will cable operators view the jurisdictions as “one” if there is no commission (i.e., does this give up strength in numbers)? Legally, an IGA is sufficient to delegate authority to Portland, but the common method for multi-jurisdiction cable franchise negotiations and management is through a separate legal entity such as an ORS 190 Entity. Would the lack of a commission cause cable operators to question Portland’s authority to act on behalf of the other jurisdictions with no Board to provide direction?</p> <p>If the new IGA did not include funding for Community Media Centers, how will they be funded?</p> <p>How are decisions made without a commission? How do franchise renewal negotiations resolve without a body tasked</p>



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<p>In this scenario, Portland would provide similar services to the other jurisdictions as it currently provides, but with no commission structure. Instead, there would be an IGA for certain services paid for by PEG and franchise fees (and possibly other sources of funding).</p> <p>Funding for Community Media Centers could be included in the IGA (<i>e.g.</i>, the parties agree that funding would be paid to Portland who would distribute it to the centers) or through separate agreements between the jurisdictions and the Community Media Centers.</p> <p>A variation of this scenario is for the services agreement with Portland to authorize Portland to provide non-cable related services as well, such as assisting with telecommunications franchises, rights-of-way administration, broadband access, etc.</p> <p><i>Example:</i> IGAs are commonly used by local governments to delegate responsibilities or to provide services to other jurisdictions, though they are not commonly used for joint cable franchise negotiations and administration. There is</p>	<ul style="list-style-type: none">• Renegotiate grant agreements with Community Media Centers or incorporate funding into the IGA.	<p>with making a recommendation? Could an IGA-required “working group” of jurisdictions’ representatives (staff or electeds or appointed) be tasked with overseeing the negotiations and helping finalize a draft for jurisdiction approval, much like the current Commission?</p> <p>Does the existence of the Commission help with renewal negotiations, for example by creating another layer of review by a board focused on cable issues to make recommendations on the franchise terms?</p> <p>Does the existence of the Commission help with enforcement issues?</p> <p>Does the existence of the Commission help eliminate efforts to go directly to elected officials rather than negotiating with staff?</p> <p>What is the cost savings from eliminating the overhead of supporting a commission?</p> <p>What is the process by which a new IGA would be established in the context of the current Commission?</p>
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<p>no legal restriction on using an IGA for these purposes.</p>		<p>Does an IGA provide nimbleness and efficiency that the current Commission does not?</p> <p>Could the East County jurisdictions continue to fund the current Commission's work on communications policy and legislative advocacy and work on digital equity and inclusion?</p> <p>This does not address declining franchise fees and PEG capital funds.</p>
<p>Dissolve Commission</p> <p>In this scenario, the Commission would no longer exist and all jurisdictions would negotiate and enforce their own cable franchises and separately contract with Community Media Centers.</p> <p><i>Example:</i> Numerous jurisdictions negotiate and administer their cable franchises on their own without a cable commission.</p>	<ul style="list-style-type: none"> • Mutual agreement of the jurisdictions to dissolve the Commission (IGA § 13). • Wind up Commission affairs: Pay obligations; distribute assets to existing jurisdictions in proportion to most recent budget cost allocation percentage (IGA § 12)). • Terminate services agreement (requires at least 90 days' notice if termination is mutually agreed upon; if no mutual agreement, one party must give notice by December 31st of the desire to terminate effective the following July 1st per Services Agreement § 11). 	<p>Do the Community Media Centers survive if jurisdictions opt not to contract or provide less support?</p> <p>How would each jurisdiction negotiate for appropriate capital funding for the Community Media Centers if they are not working together?</p> <p>Can each jurisdiction support franchise renewals?</p> <p>Are jurisdictions comfortable negotiating these franchise agreements within their own jurisdictions?</p> <p>What are the non-monetary impacts, such as the loss of communications policy and legislative advocacy and work on digital</p>



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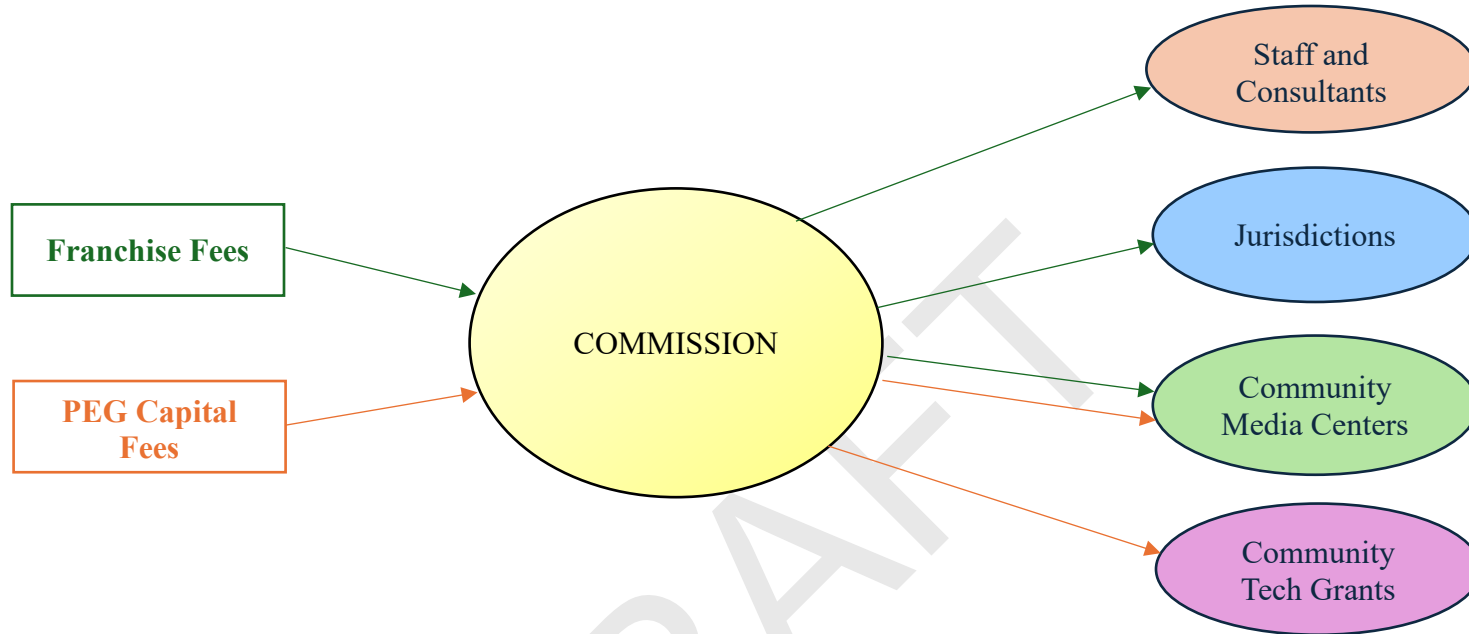
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		<p>equity and inclusion the Commission currently provides?</p> <p>This does not address declining franchise fees and PEG capital funds.</p>
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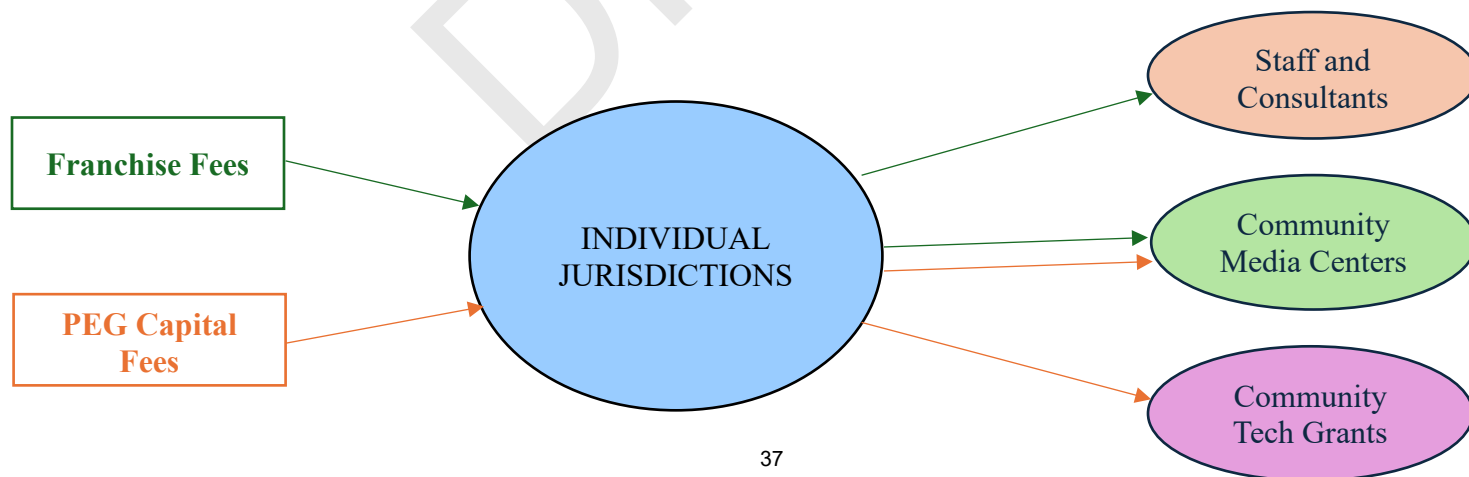
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REVENUE FLOWS

COMMISSION STRUCTURE



NO COMMISSION





It's Time To 'Act': Why TV & Video Need A New Regulatory Framework

October 10, 2024 by Tim Hanlon



[Bernd Dittrich](#) / [@hdberndvia](#) via Unsplash

The television and video industry is at a critical juncture. The rapid evolution of digital technologies, the rise of streaming platforms, and the ubiquity of mobile devices have fundamentally transformed how we consume and interact with video content. Yet, our regulatory framework remains stubbornly rooted in the past, ill-equipped to address the complexities of today's digital landscape.

The [Communications Act of 1934](#) and the [Cable Television Consumer Protection and Competition Act of 1992](#) were groundbreaking pieces of legislation that shaped the broadcast and cable TV industries for decades. However, these laws were crafted for a world that no longer exists. The internet, smartphones, and streaming services have rendered many of their provisions obsolete or ineffective.

Today's video marketplace is a tangled web of traditional broadcasters, cable operators, telecom companies, tech giants, and streaming platforms. The lines between content creators, distributors, and aggregators have blurred beyond recognition. This convergence has created regulatory blind spots and uneven playing fields that threaten competition, innovation, and consumer choice.

Consider the disparities in content regulation. While traditional broadcasters must adhere to strict decency standards and public interest obligations, streaming platforms operate with minimal oversight. This regulatory imbalance not only disadvantages legacy players but also raises concerns about content quality and diversity in the digital realm.

The current framework also fails to adequately address pressing issues like data privacy, algorithmic transparency, and the market power of digital platforms. As streaming services increasingly dominate viewership and shape content production, we need mechanisms to ensure fair competition, protect consumer interests, and preserve the cultural diversity of our media landscape.

Moreover, the global nature of digital platforms challenges the effectiveness of national regulations. A new framework must consider international cooperation and harmonization to effectively govern transnational media corporations.

It's clear that we need a comprehensive overhaul of our video industry regulations – a new "Act" for the digital age. This legislation should:

- Establish a technology-neutral approach that applies consistent rules across all video delivery platforms, whether traditional broadcast, cable, or internet-based.
- Address data privacy and algorithmic transparency, ensuring consumers have control over their viewing data and understand how content recommendations are made.
- Modernize public interest obligations for the digital era, potentially extending some form of these requirements to large streaming platforms.
- Create mechanisms to promote and preserve local and diverse content in an increasingly globalized media landscape.
- Develop new antitrust tools to address the unique challenges posed by digital platforms and their network effects.
- Establish clear guidelines for content moderation and platform liability that balance free speech concerns with the need to combat harmful content.
- Incorporate flexibility to adapt to future technological changes, avoiding the pitfall of becoming quickly outdated.
- Foster international cooperation to effectively regulate global media companies and ensure consistent standards across borders.

Critics may argue that heavy-handed regulation could stifle innovation in this dynamic sector. However, a well-crafted framework can actually promote innovation by creating a level playing field and clear rules of engagement. Moreover, the societal importance of video content – its role in shaping public discourse, cultural identity, and democratic processes – necessitates thoughtful oversight.

The task of crafting such legislation is undoubtedly complex. It will require input from industry stakeholders, consumer advocates, technologists, and policymakers. But the alternative – continuing to rely on an outdated regulatory patchwork – is untenable.

As we stand on the cusp of further technological revolutions – the metaverse, advanced AI, and beyond – the need for a forward-looking regulatory framework becomes even more pressing. We must act now to shape the future of our video landscape, ensuring it remains vibrant, competitive, and serves the public interest.

It's time for a new landmark "Act" – one that embraces the realities of our digital world while preserving the core principles that have guided media regulation for decades. The future of our video ecosystem, and the cultural fabric it weaves, depends on it.

Local News To Peruse

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- [More MLB Teams Shift to League Broadcasts Due To DSG Disarray](#) - Eric Fisher [Front Office Sports]
- [Change Is The Current Constant For TV Stations, But 2025 Should Be Stable](#) - Paige Albiniak [TVNewsCheck]
- [Scripps Sports Will Air Utah Hockey Games In Both Utah And Arizona](#) - Joe Lucia [Awful Announcing]
- [The News Budget We've Dreaded For Years Has Arrived. What Are You Going To Do About It?](#) - Sean McLaughlin [TVNewsCheck]
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INFORMATION ONLY



Mt. Hood Cable Regulatory Commission

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

MEMORANDUM

For Commission Meeting: Oct 2024

To: Mt. Hood Cable Regulatory Commission

From: Kevin Block

RE: Oct 2024 Policy Update

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Customer Service Notice of Inquiry (NOI)

On August 12th, 2024, Chairwoman Rosenworcel circulated a Notice of Inquiry (NOI) that, if adopted, would seek information on customer service resources and complaints.

The Notice of Inquiry would seek comment on a number of related topics including, but not limited to:

- Simple cancellation;
- Access to live representatives;
- Establishing uniform requirements regarding installations, outages, and service calls;
- Automatic renewal of service or price increases;
- Special considerations for people with disabilities, and more.

Staff believe that the MHCRC should submit comment on this NOI, if adopted by the FCC. This is a uniquely relevant topic to the MHCRC since we have data on customer complaints.

On October 10th, 2024, MHCRC staff sent a letter to the FCC commissioner requesting that they adopt the NOI. The letter is attached in this packet.

Federal Legislation Update

Unlikely that anything significant passes until election.

The Federal bills of primary concern to the MHCRC are:

- *HR 907 – Protecting Community Television Act (Support)*
 - The Act would amend the Communications Act of 1934 to limit the definition of franchise fees to only a tax, fee, or other monetary assessment. This would prevent franchisees from including in-kind services such as PEG channels as part of the franchise fee.



- *HR 3557 – American Broadband Deployment Act (Oppose)*
 - Eliminates cable franchise renewals, thereby removing ability of state or local communities to enforce franchise obligations such as build-out, customer service, and PEG
 - Allows cable franchisees to modify the terms of franchise agreements and to renege on cable franchises
 - Affirmatively grants cable operators the right to provide non-cable services while prohibiting localities from imposing any fees on cable operators' revenue from non-cable services
 - Implements unnecessary shot-clocks and limits the ability of localities to modify requirements based on current and future needs

UPDATE: Various trade organizations (NCTA, CITA, US Telecom, WIA, and INCOMPAS) sent a letter to the House Speaker and House Minority Leader asking for HR 3557 to be considered before the end of the year, but it is unlikely to be taken up.

In response to industry groups sending letters to the House Speaker and House Minority Leader in support of HR 3557, NATOA, NLC, USCM, and NACo sent a letter to the same group in opposition to HR 3557.



Mt. Hood Cable Regulatory Commission

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

February 29th, 2024

Re: Notice of Inquiry Would Seek Comment on Ways to Help Consumers' Customer Service Experience With Phone, Cable and Broadband Providers

Chairwoman Rosenworcel, Commissioner Carr, Commissioner Starks, Commissioner Simington, Commissioner Gomez

Federal Communications Commission
45L Street NE
Washington, DC 20554

The Mt. Hood Cable Regulatory Commission (MHCRC) welcomes the news that Chairwoman Jessica Rosenworcel has circulated a Notice of Inquiry with her fellow commissioners that, if adopted, would seek information on ways to ensure that consumers have appropriate and efficient access to customer service resources when working with their phone, cable, and broadband providers.

As the local franchising authority serving the Cities of Fairview, Gresham, Portland, Troutdale, and Wood Village as well as Multnomah County, the MHCRC regularly receives complaints from cable customers regarding the customer service of their provider. As such, we strongly encourage the Commission adopt Chairwoman Rosenworcel's Notice of Inquiry to provide an avenue for sharing those complaints and providing comment on a variety of related topics.

If the Notice of Inquiry is adopted the MHCRC can provide information about complaints we receive on topics such as difficulty with automated voice and text systems, billing issues, and service interruptions.

We would like to thank Chairwoman Rosenworcel, all the Commissioners, and their staff for their time and effort on this important process.

Sincerely,

Julia DeGraw, Mt. Hood Cable Regulatory Commission Chairperson



MHCRC 1810 SW 5th Suite 710
503.823.5385 info@mhcrc.org

Portland, Oregon 97204
www.mhcr.org

Cable Complaints Summary



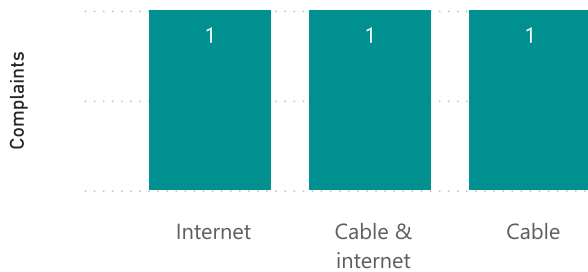
9/11/2024 10/14/2024

Comcast

Complaints **3** Avg Days to Solve **6.0**

Complaints by Issue and Service

Issue Type	Count of Tickets
Billing/Cost	1
Installation/Repair	0
Other	0
Phones	0
Service Quality	2
Total	3

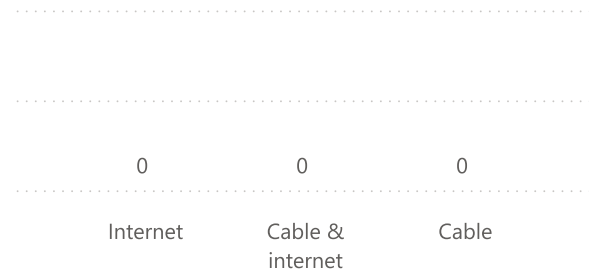


Ziply

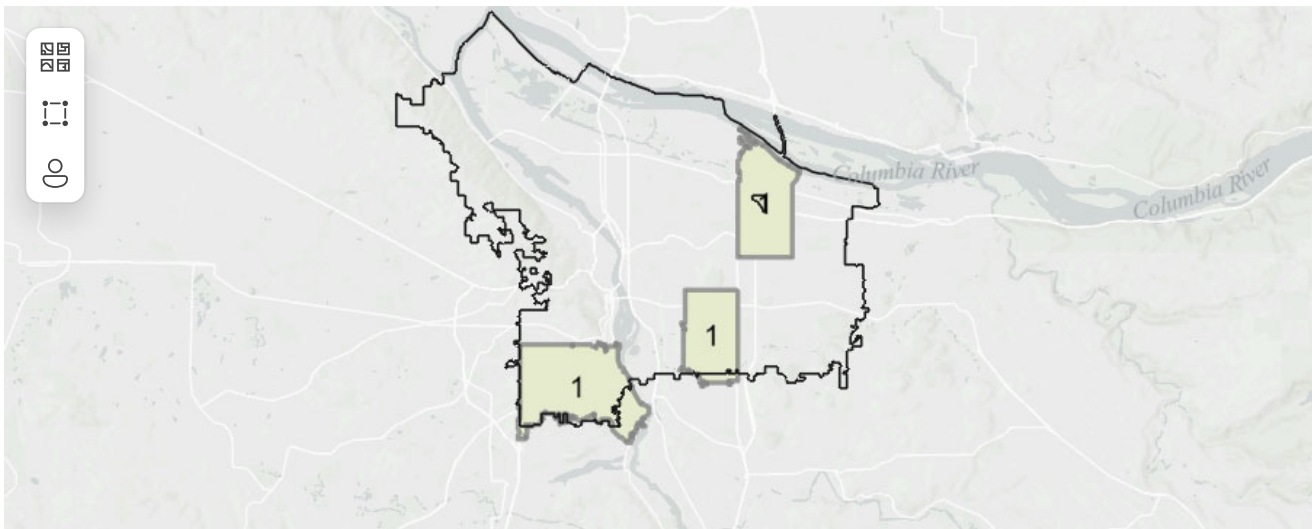
Complaints **0** Avg Days to Solve **--**

Complaints by Issue and Service

Issue Type	Count of Tickets
Billing/Cost	0
Installation/Repair	0
Other	0
Phones	0
Service Quality	0
Total	0



Complaint Volume by Zip Code





Mt. Hood Cable Regulatory Commission

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

September 17, 2024

Jessica Epley
Vice President, Regulatory & External Affairs
ZiPLY Fiber
135 Lake Street South, Suite 155
Kirkland, WA 98033
jessica.epley@ziPLY.com

Re: Notice and Opportunity to Cure Re: Customer Service Standards Violations
Quarters Covered By Notice: Q1 2023, Q2 2023, Q3 2023, Q4 2023, Q1 2024, Q2 2024

Dear Ms. Epley:

In accordance with §14.1 of the franchise agreement with ZiPLY Fiber (“ZiPLY”) this letter provides ZiPLY a 30-day written notice of the Mt. Hood Cable Regulatory Commission’s (MHCRC) intent to exercise §14.1 of the franchise agreements on behalf of the Cities of Gresham, Troutdale, Fairview, and Wood Village. ZiPLY must comply with Customer Service Standards under §9.1 and Exhibit D of its franchise agreement. MHCRC staff determined that ZiPLY has not adhered to applicable customer service standards in several instances detailed in this notice. Below are the standards ZiPLY failed to meet and the information supporting this finding.

Telephone Answering Time

Under Section 9.1 and Exhibit D Section III, under Normal Operating Conditions, calls received by Grantee shall be answered within thirty (30) seconds and, if the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. Grantee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by Grantee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after 30 seconds of call waiting.

ZiPLY’s quarterly reports to MHCRC indicate that ZiPLY failed to meet the telephone answering time standards in Q1, Q2, Q3 of 2023 and Q2 2024. This is a particularly notable violation because it continued for a period of three quarters in 2023, or approximately 273 days. Fines are liable to reach the \$30,000 annual cap on these customer service standards violations. While ZiPLY came into compliance for this standard in Q1 2024, that trend did not continue for Q2 2024.

ZiPLY’s plan to cure must address the causes of this long-standing violation, an itemized protocol, correct the issues, and a roadmap which assures compliance in the future.





Mt. Hood Cable Regulatory Commission

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

Installations, Disconnections, Outages and Service Calls

Under Exhibit D, under Normal Operating Conditions, each of the following standards shall be met no less than **ninety-five (95) percent of the time measured on a quarterly basis**:

- Standard installations shall be performed within seven (7) business days after an order has been placed.

ZiPLY's quarterly reports to MHCRC indicate that ZiPLY failed to comply with the 7-day install requirement in Q2 of 2023 and in Q1 and Q2 of 2024. These violations are indicative of a larger trend developing with respect to ZiPLY's ability to comply with its franchise agreement.

ZiPLY's plan to cure must contain an explanation as to the causes of these violations, an itemized protocol to correct the violations, and a roadmap which assures how compliance will be met in the future.

- Under Normal Operating Conditions the cable operator shall begin work on Service Interruptions promptly and no later than 24 hours after the interruption becomes known. The cable operator must begin working on other service problems the next business day after notification of the service problem. Working on Service Interruptions must be more than merely acknowledging it.

ZiPLY's quarterly reports to MHCRC indicate that ZiPLY failed to resolve service interruptions within twenty-four hours ninety-five percent of the time in Q3 of 2023 and in Q1 and Q2 of 2024. The percentages report by ZiPLY are significantly below standards. These violations are indicative of a larger trend developing with respect to ZiPLY's ability to comply with its franchise agreement.

ZiPLY's plan to cure must contain an explanation as to the causes of these violations, an itemized protocol to correct the violations, and a roadmap which assures how compliance will be met in the future.

- The appointment alternatives for installations, service calls and other installation activities shall be either a specific time or, at maximum, a four-hour time block during Normal Business Hours. The operator may schedule service calls and other installation activities outside of Normal Business Hours for the express convenience of the customer.

ZiPLY's quarterly reports to MHCRC indicate that ZiPLY failed to meet the appointment window requirements for install in Q3 of 2023 and Q1 and Q2 of 2024.

ZiPLY's plan to cure must contain an explanation as to the causes of these violations, an itemized protocol to correct the violations, and a roadmap which assures how compliance will be met in the future.

- The cable operator shall be deemed to have honored a scheduled appointment under the provisions of this section when a technician arrives within the agreed upon time and, if the





Mt. Hood Cable Regulatory Commission

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

subscriber is absent when the technician arrives, the technician leaves written notification of arrival and return time, and a copy of that notification is kept by the cable operator. A cable operator may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment. Rescheduling an appointment is an independent obligation and does not necessarily excuse the missed appointment. If a cable operator representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer shall be contacted. The appointment shall be rescheduled, as necessary, at a time which is convenient for the customer.

ZiPLY's quarterly reports to MHCRC indicate that ZiPLY failed to meet the reschedule requirement in Q3 of 2023. While ZiPLY appears to have corrected this issue, MHCRC requires data on how many installations ZiPLY has performed in the three quarters since this incident. Please include this information in your cure response.

In addition, under 9.1.1.3, Grantee shall perform Standard Installations, as defined under Section 4.3 of this Franchise, in accordance with the Customer Service Standards (within no more than seven (7) days), except in cases where a Standard Installation requires Grantee's placement on the customer premise of an Optical Network Terminal, then Grantee shall perform the installation within no more than fourteen (14) days after a service order has been placed.

ZiPLY's quarterly reports to MHCRC indicate that ZiPLY failed to meet the 7-day standard in Q2 of 2023 and Q1 of 2024. ZiPLY should explain the cause of these compliance gaps and explain for the quarters it remained in compliance, how many installations were performed.

Regarding the 14-day requirement, ZiPLY did not meet this requirement in Q1 of 2024. While this issue appears to be resolved, MHCRC requires additional data from ZiPLY, i.e., an explanation of what a 0 percent indicates and how many installations were performed in the quarters at issue (all four quarters of 2023 and the first two quarters of 2024).

Additional requirements and next steps:

Under §14.4 and §14.5 of the franchise agreements, ZiPLY must document a cure within the 30-day notice period. If a cure is not reasonably possible within the 30-day period, then ZiPLY must document what good faith efforts it has undertaken to cure the asserted violation. This documentation must be provided **no later than October 17, 2024** (30-days from the date of this letter), in the form of a curative plan satisfactory to the MHCRC staff. If ZiPLY fails to cure or to undertake adequate efforts, and continue those efforts in good faith, toward a cure of these violations, the MHCRC may exercise the remedies available under §14 of the franchise agreement.

The written cure response should address each of the requests identified in bold in this letter in the sections addressing each compliance gap. The cure response should also include a new customer service report demonstrating compliance in all areas.





Mt. Hood Cable Regulatory Commission

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

Considering the repeated compliance gaps and to facilitate better understanding of Zply's business practices under the regulatory authority of the Commission through the franchise, MHCRC requests that Zply modify its quarterly reports going forward to include the following additional information:

- 1. The data used to populate each of the percentages (i.e. the number of calls received, the number of installations performed, etc.)**
- 2. The standard required under the franchise for each element report (i.e. 95 percent compliance, etc.)**

Please contact me if you have questions.

Sincerely,

Andrew Speer, Mt. Hood Cable Regulatory Commission Franchise & Compliance Manager

Cc: Gail A. Karish, MHCRC legal counsel, Best, Best & Krieger, LLP



September 17, 2024

Sent via electronic mail to Andrew.speer@portlandoregon.gov

Mr. Andrew Speer
Mt Hood Cable Regulatory Commission
111 SW Columbia Street, Suite 600
Portland, Oregon 97201

Re: Ziplly Fiber Video Franchise – Wood Village, OR

Dear Mr. Speer:

This letter is to inform you that effective immediately Ziplly Fiber wishes to exercise its rights under its Cable Franchise Agreement with the Mount Hood Cable Regulatory Commission to terminate our franchise for services in Wood Village, Oregon. This notice is made in accordance with Section 14.11 of the agreement. We have no remaining customers in Wood Village.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "JEpley".

Jessica Epley
VP - Regulatory & External Affairs

Cc: Greg Dirks, City Manager (GregD@WoodVillageOR.gov)