



Mt. Hood Cable Regulatory Commission

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

Mt. Hood Cable Regulatory Commission

Mini Retreat

September 3, 2025

4:30pm – 8:30 pm

5:00 pm ****Dinner Delivered****

Hybrid: Wood Village City Hall, Council Chambers

24200 NE Halsey

Wood Village, OR 97060

And Zoom:

<https://us06web.zoom.us/j/87834338523?pwd=sDitckO5N5OHJKijkjxWkBhfvyENdS.1>

Meeting ID: 878 3433 8523

Passcode: 448906

One tap mobile

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Objective

Mt. Hood Cable Regulatory Commission will convene for a four-hour “mini retreat”. The objective is for commissioners to prepare themselves, staff, and consultants to successfully navigate the future of the Commission. Upon completion of this meeting, participants should walk away with the following:

Consensus whether to sunset and when; Start to parse out specifics on how it looks, including timeline, and next steps for that process, clarity on how to approach the grant work moving forward with input from interested parties.

AGENDA

- | | |
|-----------|---|
| 4:15 pm | Gathering |
| 4:30-4:35 | Welcome Commissioners Butt and Underdahl |
| 4:35-4:45 | Introductions and Agenda Review |
| 4:45-5:15 | NEX Strategies Summarize Final Report and Q & A – (NEX Strategies) NEX Strategies to summarize Final Report and to facilitate Q & A about next steps with Commissioners and if needed Nancy Werner providing legal analysis on various legal structures, e.g. IGAs. |





Mt. Hood Cable Regulatory Commission

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- | | |
|-------------|--|
| 5:15-5:30 | Break |
| 5:30-6:15 | Range of Services – (NEX Strategies) Identify and discuss MHCRC’s current range of services and how to navigate a sunset in a constrictive environment while referencing NEX Strategies Final Report. |
| 6:15-7:15 | Public Perspectives – (Chair DeGraw and NEX Strategies) Commissioners, Jurisdictional Leadership, CMCs and other external partners to share perspectives on the future of MHCRC. |
| 7:15-7:30 | Break |
| 7:30 – 7:50 | Commission discussion and decision points – (Chair DeGraw) |
| 7:50-7:55 | MHCRC Equity Committee – report |
| 7:55 – 8:10 | MHCRC Finance Committee - report |
| 8:10 pm | CONVENE Regular MHCRC Meeting – refer to Regular Agenda |
| 8:30 pm | Reconvene Retreat |
| 8:30 pm | Adjourn |

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.





MINI-RETREAT: STRATEGIC PLANNING OVERVIEW

MT. HOOD CABLE REGULATORY COMMISSION – SEPTEMBER 3, 2025



OUR CORE OBJECTIVES: PERSPECTIVE & ALIGNMENT

1 Review consultant recommendations and roadmap

2 Discuss the Commission's current structure, functions, and responsibilities

3 Explore risks, options, and priorities for transition planning

4 Identify recommendations to inform jurisdiction decision-making

FRAMING THE CHALLENGE

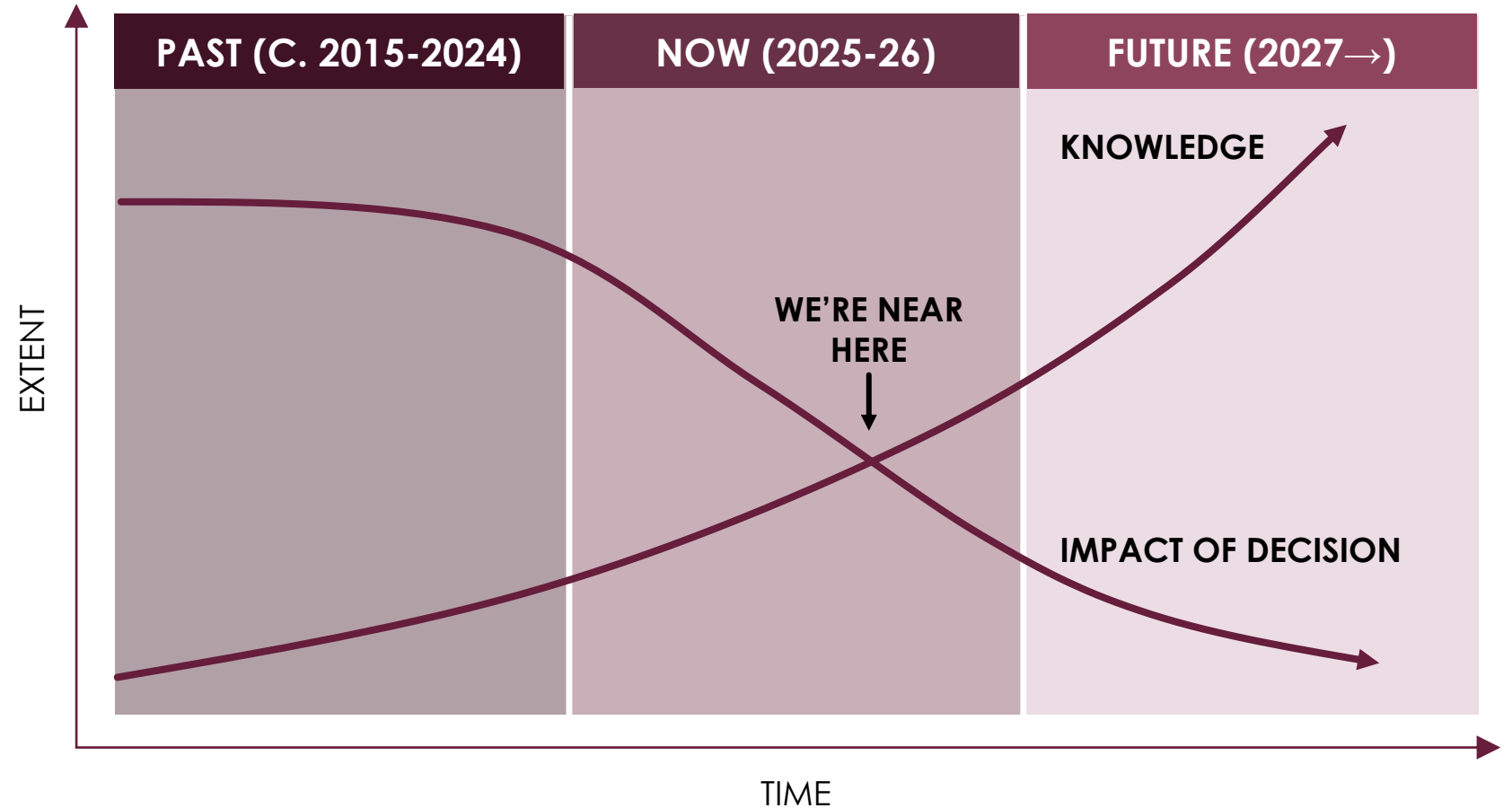
The MHCRC's current model is no longer financially or operationally sustainable.



CONSEQUENCES MODEL FOR DECISION-MAKING

The Consequences Model holds that as knowledge increases over time, the impact of decisions decreases.

We understand the MHCRC's challenges better than ever. But the longer decisions are delayed, the less impact they will have. Acting now preserves influence before circumstances decide the outcome.



Source: Kreiner & Christensen (1991, summarized in Krogerus & Tschäppeler, *The Decision Book*, 2008)

CONSIDERING COMMISSION RECOMMENDATIONS

The following slides summarize consultant recommendations from the final report. They're meant to inform your thinking, not to replace your judgment.

The question for you as commissioners isn't simply whether to agree or disagree with the recommendations. Rather, it's how to prepare your jurisdictions to make key decisions, whatever form they may ultimately take.

OVERVIEW OF FINDINGS

SCENARIO 1: ADJUSTED STATUS QUO

- Keep MHCRC with a narrower scope
- Costs reduced, but structural deficit remains

SCENARIO 2: SUNSET COMMISSION

- Wind-down commission structure over 2 years
- New IGA for jurisdiction management of remaining core functions
- Reduced operating costs

SCENARIO 3: INDEPENDENT ORG

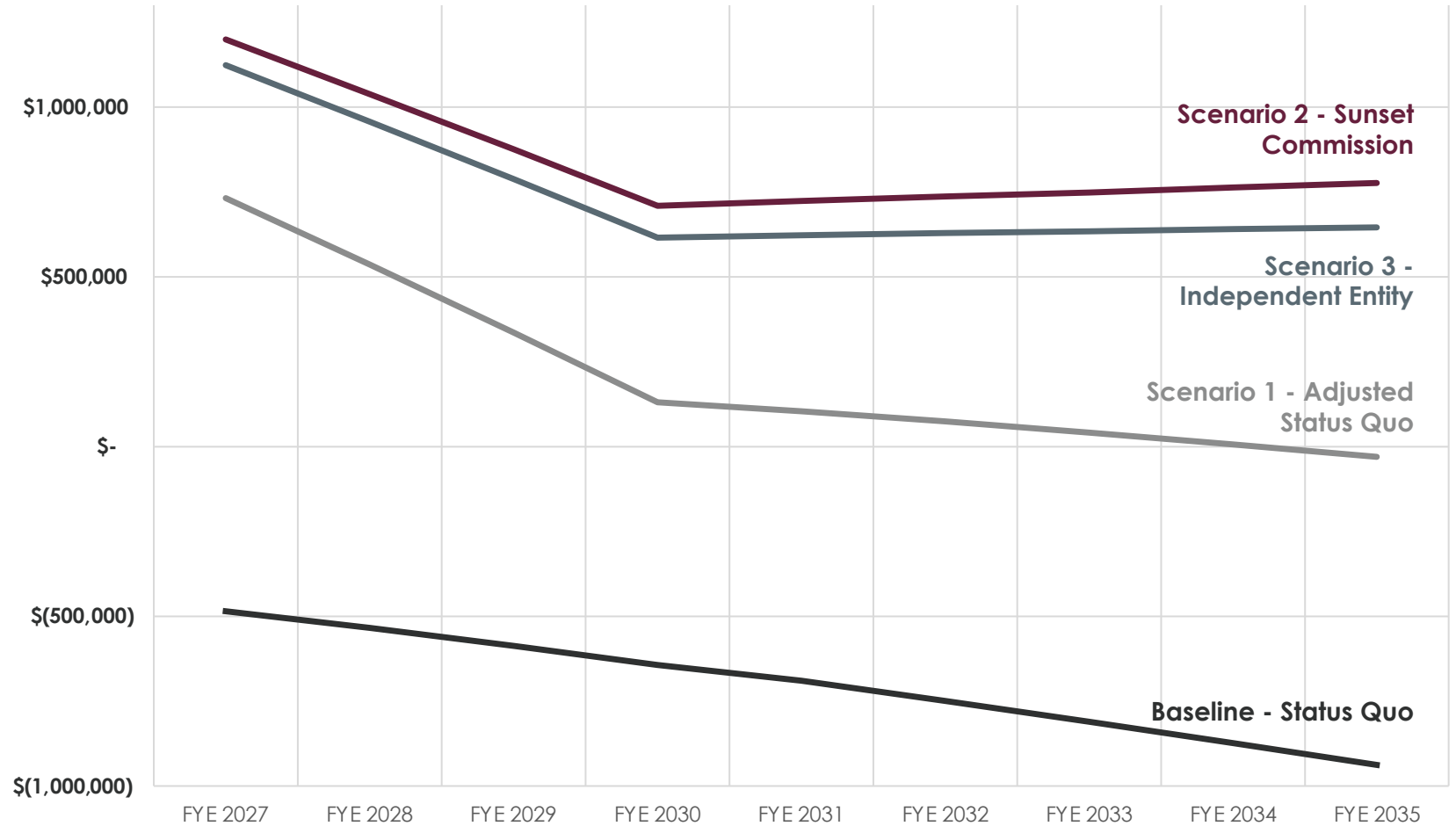
- Eliminate MHCRC, outsource oversight
- Lowest potential cost, but greatest risk for variability
- Reduced shared governance

Key Assumptions: No new revenues, grants winding down, narrower scope, legal oversight required, jurisdictions responsible for non-cable telecommunications policy.

10-YEAR PROJECTIONS: NET OPERATING INCOME - SCENARIO COMPARISON

Key Takeaways

- Structural Deficit**
 Without change, \$11.6M deficit by 2035
- Reserves Limited**
 Unsustainable to continue closing gaps with reserves
- Cost Reduction Needed**
 Recommended transition to smaller, leaner operating footprint



Source: Tiberius Solutions, MHCRC Financial Forecast, May 2025

OVERVIEW OF CONSULTANT RECOMMENDATIONS

| | ACTION ITEMS |
|---|---|
| STRUCTURE & GOVERNANCE | <ul style="list-style-type: none">▪ Wind down commission structure over 2 years, narrowing focus to cable▪ Shift to quarterly commission meetings, reflecting narrower scope▪ New IGA for shared oversight by jurisdictions following dissolution |
| FUNDING & MEDIA CENTERS | <ul style="list-style-type: none">▪ Wind down community community tech grants program: forego new grantmaking cycles, honor existing grants, communicate next steps▪ Establish baseline funding for media centers' PEG-specific services▪ Jurisdictions negotiate additional services with media centers directly |
| TRANSITION & CHANGE MANAGEMENT | <ul style="list-style-type: none">▪ Develop clear plan for transparency, communication, and continuity of core operations |

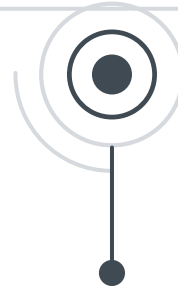
RECOMMENDED ROADMAP (UPDATED)

PHASE 1. TRANSITION PLANNING

- Commission adopts recommendations
- Narrow focus to cable-only
- Jurisdictions confirm path forward
- Plan grant sunset and staff transition
- Draft IGA framework & change plan



Jan – Jun
2026

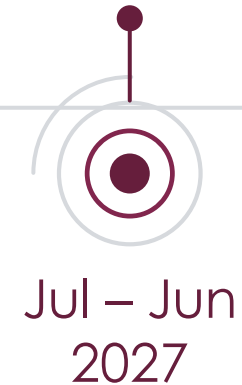


PHASE 2. DESIGN SUCCESSOR STRUCTURE

- Negotiate new IGA
- Identify administrative lead
- Set PEG distribution, reserve, shared expense policy
- Establish oversight plan for outstanding grants
- Finalize any media center agreements

PHASE 3. OPERATIONAL TRANSITION & WIND-DOWN

- Implement external communications plan
- Begin administrative wind-down
- Transfer oversight to new administrative lead
- Close or transfer grants administration
- **Formally dissolve MHCRC**



DEFINING THE PATH FORWARD

Whatever form the transition takes, jurisdictions will need to make key operational decisions. Timely recommendations from the commission can help inform that direction.

Change is unavoidable:

- Cable revenues will keep declining
- Available grant funds will decline over time
- Media centers require clarity on PEG obligations

KEY JURISDICTION DECISION POINTS

The following questions don't presuppose whether the MHCRC continues or not. However, they do recognize that change is unavoidable.

- **Governance & Administration**

- Shared IGA or individual oversight?
- Who leads core functions (i.e., legal, financial)?

- **Grants**

- How will existing grants be managed?
- How will declining revenues impact grantmaking?

- **Media Centers**

- What baseline PEG services are required?
- Any additional services beyond PEG?

- **Coordination & Timing**

- What transition timeline balances stability & cost?
- What communication approach ensures clarity?

MHCRC'S STRUCTURE TODAY

| OVERSIGHT & ADMINISTRATION | COMMISSION SUPPORT & POLICY | COMMUNITY SERVICES & PARTNERSHIPS |
|--|---|---|
| <p>Finance. Fee collection, fund distribution, financial management</p> | <p>Operations. Staff support for meetings, retreats, communications</p> | <p>Grants. Review grant applications and oversee existing grants</p> |
| <p>Regulation. Monitoring legislation, federal, state, and local policies</p> | <p>Policy Research. Advocacy, commissioner briefings</p> | <p>Media Centers. PEG funding, coordination, reporting</p> |
| <p>Compliance. Oversight of franchise agreements</p> | <p>Trends. Monitoring cable and communications technology developments</p> | <p>Consumers. Handling complaints and service inquiries</p> |

HOW THE STRUCTURE WORKS IN PRACTICE

| | OVERSIGHT & ADMINISTRATION | COMMISSION SUPPORT & POLICY | COMMUNITY SERVICES & PARTNERSHIPS |
|------------------------------|--|---|---|
| MEETINGS | Monthly meetings (summer recess); special meetings as needed | Staff support for agendas and communications | Reports from media centers, grantees, subcommittees |
| STAFFING | Portland staff (mainly partial FTEs, BPS); allocations may shift | Commissioner briefings and research support | Staff manages grants program, incl. reporting and oversight |
| BUDGET & FINANCE | All jurisdictions approve MHCRC budget (-10% fallback if not); fund management | – | Portland collects/distributes fees; media center budgets flow through MHCRC |
| POLICY & SERVICES | Franchise compliance; right-of-way oversight | Monitor legislation, regulations, tech trends, broadband; equity lens | PEG oversight & media center coordination; consumer complaints via 311 |

COMMISSION DISCUSSION QUESTIONS

Operational Dynamics

- Which operational components seem essential to carry forward, no matter the structure?
- Jurisdictions have requested operational efficiencies. Where do you see potential inefficiencies, overlaps, or functions that could be simplified?
- How might the Commission frame these operational considerations for jurisdictions?

PUBLIC DISCUSSION QUESTIONS

Jurisdictions

- What is your jurisdiction's current view on where the commission stands? Do you have any concerns?

Media Centers

- What do media centers need clarity on from the commission or jurisdictions?

Community Members

- What does the community want commissioners to keep in mind?



THANK YOU. PRESENTED BY:



Autumn Carter, Managing Partner
Reed Wagner, Partner

9/3/25

16



Consultant Recommendations:

MHCRC Transition Plan - What Jurisdictions Should Know

Mt. Hood Cable Regulatory Commission

July 15, 2025

Overview

Over the past 18 months, the MHCRC has led a strategic planning process to assess its long-term sustainability. The process included interviews and briefings with MHCRC staff, commissioners, jurisdiction staff and elected officials, legal experts, and community media centers. The goal was to evaluate future options, understand stakeholder needs, and identify a realistic path forward.

The result is a recommendation from consultants to initiate a two-year, phased wind-down of the MHCRC. This approach would give jurisdictions time to shift responsibilities, protect key services, and wrap up existing commitments, without rushing or disrupting current operations. **This is a proposal, not a final decision.** Each jurisdiction will need to decide how it wants to move forward.

The overview below discusses key components of the recommended approach:

1. Why is NEX Strategies proposing to wind down?

The MHCRC was built for a cable-based system. But cable revenues are shrinking, and the Commission no longer has the funding or authority to support its full portfolio that includes regulatory oversight, ensuring PEG access, and local grantmaking. A two-year wind-down gives everyone time to plan, transition responsibilities, and make sure things don't fall through the cracks.

2. What would happen to community media funding?

The need for public meeting coverage and media access hasn't gone away, but the way it is funded needs to change. The proposal includes tying a baseline for services to PEG funding levels to keep core services running at community media centers. Jurisdictions can also decide if they want to fund other services beyond that, such as expanded media services. This keeps essential access going while allowing for local control.

3. Would the grant program end based on NEX's recommendation?

Yes — to help address the commission's funding gap, the grant program would stop taking new applications starting this fiscal year (FY2026) to reduce discretionary spending immediately. But existing grants would still be honored and supported, even if the MHCRC dissolves before they're finished. It's important to follow through on commitments that have already been made.

4. Who would take over cable oversight?

Each jurisdiction would be responsible for things like making sure cable providers meet their obligations and helping residents with cable-related issues. The plan recommends creating a





new (IGA) so jurisdictions can work together, share staff or legal help, and split costs. This helps keep things efficient and avoids duplicating efforts.

5. What core decisions do jurisdictions need to make?

This fall, the MHCRC anticipates making collective recommendations to member jurisdictions around how to proceed. The commission intends to help inform key decisions that jurisdictions should consider, including:

- Will we join a shared oversight agreement with other jurisdictions?
- How will we support our local media center moving forward?
- How will we help close out the MHCRC and support grant wrap-up?

These decisions affect services, funding, and how to follow through on past commitments. Getting clear on them early helps make the transition smoother.

6. Why not move faster?

We understand some may want to exit quickly. But moving too fast could disrupt funding, confuse partners, and leave open questions unanswered. This proposal provides time to plan, communicate clearly, and make sure no one is left behind.





Final Report & Strategic Plan

Mt. Hood Cable Regulatory Commission

Submitted By:

Autumn Carter, Managing Partner – NEX Strategies

Reed Wagner, Partner – NEX Strategies

July 11, 2025



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Executive Summary

The Mt. Hood Cable Regulatory Commission (MHCRC) is responsible for cable franchise oversight, community media funding, and cable-related policy across six jurisdictions in Multnomah County, Oregon. Since 1992, the MHCRC has operated under an intergovernmental agreement (IGA) that empowered commissioners and staff to manage cable-related revenues and ensure public, educational, and governmental (PEG) access to media resources.¹ The member jurisdictions, IGA, and commission have been an example of collaborative governance that should be recognized.

However, the telecommunications landscape has changed dramatically. Cable subscriptions – and the franchise and PEG fees that fund the Commission’s work – have declined as broadband and other technologies have overtaken cable. And the Commission’s scope and budget have expanded into policy and grantmaking, even as its authority remains limited to cable. These shifts raise questions about the Commission’s long-term sustainability, role, and structure.

In response, the MHCRC initiated a strategic planning process in 2024 with the support of consultants from NEX Strategies. Consultants engaged commissioners, jurisdiction staff, media centers, and other stakeholders to assess the Commission’s current state, analyze financial trajectories, and develop actionable paths forward.

This report summarizes that process and presents a strategic roadmap for transitioning the MHCRC toward a more sustainable, aligned structure. Based on jurisdiction feedback, financial modeling, and governance analysis, consultants recommend a two-year transition to wind down the MHCRC. In its place, jurisdictions would develop a simpler coordination model that preserves essential cable-related functions while streamlining operations, narrowing scope, and aligning governance with today’s realities.

Key recommendations include:

- **Narrowing the MHCRC’s scope** to cable regulation and reducing operational costs.
- **Phasing out the community grants**, administering existing grants to conclusion.
- **Sunsetting the Commission structure**, transitioning core responsibilities to jurisdictions under a revised IGA.
- **Establishing a funding baseline for media center** operations tied to PEG fees.
- **Creating a communications and change management plan** to support the transition.

The proposed roadmap offers a phased transition balancing financial sustainability, continuity of service, and local control. While each jurisdiction must determine how to proceed, the plan reflects shared priorities, fiscal realities, and a commitment to public access and transparency.

¹ MHCRC. “Mt. Hood Cable Regulatory Commission Intergovernmental Agreement as Amended March 1998.” March 1998. https://www.mhcr.org/wp-content/uploads/2014/11/ops_renewalExhibitA-IGA.pdf.

Background

Origins and Mission of the MHCRC

Established in 1992, the Mt. Hood Cable Regulatory Commission (MHCRC) was created through an intergovernmental agreement (IGA) among six jurisdictions in Multnomah County: Fairview, Troutdale, Wood Village, Gresham, Portland, and Multnomah County. The MHCRC was designed to provide a regional approach to cable franchise oversight, ensure public access to cable communications resources, and coordinate community investments in local media.

The Commission's primary responsibilities include:

- **Franchise Agreements.** Negotiating and enforcing cable franchise agreements.
- **Cable Revenues.** Managing revenues related to public, educational, and governmental (PEG) access and right-of-way use.
- **Consumer Complaints.** Handling cable subscriber complaints, currently routed through Portland 3-1-1.
- **PEG Access.** Providing financial support to community media centers.
- **Grantmaking.** Issuing community technology capital grants to local nonprofits, schools, and libraries.
- **Policy Advocacy.** Promoting local control over communications infrastructure and related policy.

While the Commission's original focus was regulating cable television providers to protect the public interest as cable systems emerged and developed, its scope has evolved. Since amending its IGA in 1998, the MHCRC has operated a community technology grants program, supporting capital projects that help community-based organizations expand access to increasingly digital media resources and services.²

Fiscal Context

The MHCRC's operations are primarily funded through franchise and PEG fees collected from cable providers, based on gross cable television revenues in each jurisdiction. Franchise fees, set at 5%, are general-purpose revenues that jurisdictions may use to support MHCRC operations and fund community media services. PEG fees, reduced from 3% to 2.5% in the 2025 renegotiated Comcast franchise agreement, are legally restricted to capital expenditures related to community media and technology (e.g., equipment, facilities, and infrastructure).

Under the IGA, 60% of franchise fees collected from East County jurisdictions are allocated to MetroEast, the media center that provides PEG access services in those jurisdictions. Open Signal serves Portland and receives its funding directly from the city.

² MHCRC. "Past Grants." 1999-2024. <https://www.mhcrc.org/community-grants/past-grants/>.



The City of Portland manages the collection and distribution of franchise and PEG revenues on behalf of the MHCRC. The Commission allocates these funds to media centers, grant recipients, and its operations before distributing a share of remaining franchise fee revenues (minus a predetermined contribution to the commission) back to East County jurisdictions annually. These distributions to East County jurisdictions have been dwindling.

As the number of cable subscribers has declined over the past decade, revenues from both fee types have decreased significantly. At the same time, the Commission's activities and funding allocations have expanded across grantmaking, administrative support, and policy focus areas. Together, these shifts have changed the overall financial landscape, with expenditures growing as revenues have shrunk.

Industry and Technology Landscape

The regulatory framework that enabled the formation of the MHCRC in the early 1990s was shaped by the rapid growth of cable television and shifting federal policy. By 1989, cable television had reached over 55% of U.S. households.³ The 1992 Cable Television Consumer Protection and Competition Act ("1992 Cable Act") reinforced local authority over cable franchise agreements and established a stable framework for PEG access funding, allowing jurisdictions to require dedicated support for public, educational, and governmental media as part of franchise terms.⁴

The 1996 Telecommunications Act further reshaped the industry by permitting individual companies to offer a broad range of telecommunications services, including cable television, internet, and telephone, previously regulated separately. While intended to promote competition, the law also blurred regulatory boundaries as technologies converged, leading to integrated service delivery through shared infrastructure.⁵

Since then, the communications landscape has changed dramatically. Cable subscriptions have declined sharply, replaced by broadband-enabled streaming services that fall outside the regulatory scope of local cable franchise agreements. Notably, broadband providers often use the same infrastructure as cable operators but are not subject to the same franchise or PEG fee requirements under federal law.

While the MHCRC's regulatory authority remains limited to cable television, jurisdictional needs and community expectations have evolved. Community media centers continue to provide

³ *New York Times*. "With America Well Wired, Cable Industry Is Changing." July 9, 1989.

<https://www.nytimes.com/1989/07/09/us/with-america-well-wired-cable-industry-is-changing.html>.

⁴ U.S. Congress. "H.R.4850 - 102nd Congress (1991-1992): Cable Television Consumer Protection and Competition Act of 1992." July 23, 1992. <https://www.congress.gov/bill/102nd-congress/house-bill/4850>.

⁵ Kelly, Steve. *William Mitchell Law Review*: Vol. 27: Iss. 4, Article 3. 2001. Pages 2140-2147. "Liberating our Digital Future: How the 1996 Telecommunications Act Definitions are Hobbling Change." <http://open.mitchellhamline.edu/wmlr/vol27/iss4/3>.



PEG programming and public meeting coverage, but they have also expanded into areas like digital literacy, youth media training, and local content production. Meanwhile, jurisdictions increasingly rely on video conferencing platforms and live-streaming tools to engage with communities, tools they can operate more independently.

Strategic Planning Process

Overview

The MHCRC approved a consultant-led strategic planning process to assess the organization's long-term sustainability and explore options for realignment. The process was designed to be iterative, focused on clarifying jurisdiction needs and developing alignment across stakeholders. In 2024, NEX Strategies was engaged to facilitate the planning effort across three phases: Preparation, Analysis, and Strategy Development.

Initially scoped to conclude in January 2025, the process was extended after the December 2024 joint work session revealed that jurisdictions and commissioners were not yet aligned around a preferred path forward. Stakeholders requested further financial analysis and clarification of potential structural options to guide decision-making. In response, the Commission extended the timeline and expanded the consultants' role to include developing actionable recommendations and a feasible implementation roadmap for the Commission's consideration.

Consultant & Legal Roles

To support the strategic planning process, the MHCRC engaged three external teams with expertise in facilitation and strategic planning, cable regulatory legal issues, and public sector financial analysis:

- **Strategic Planning: NEX Strategies.** NEX Strategies led the overall strategic planning effort, serving as facilitator, process designer, and strategy advisor. The team coordinated stakeholder engagement, supported scenario development, and developed an implementation roadmap based on stakeholder input. In the early phases, NEX conducted background research, stakeholder interviews, and jurisdiction briefings to surface operational needs and align understanding across partners. Following the January 2025 project extension, NEX shifted focus toward clarifying financial implications of potential scenarios, developing financial models, and formulating implementation recommendations grounded in stakeholder input and feasibility analysis.



- **Legal Analysis: Bradley Werner.** In partnership with MHCRC staff, legal counsel at Bradley Werner developed a set of structural and governance scenarios in Fall 2024.⁶ These scenarios explored potential models for the Commission’s future role, regulatory authority, and legal framework. The resulting legal options served as a foundation for Commission and jurisdiction deliberations during the December 2024 joint work session.
- **Financial Analysis: Tiberius Solutions.** Based on the strategic scenarios prepared by NEX Strategies, Tiberius Solutions conducted a detailed financial analysis assessing 10-year cost projections, funding trends, and sustainability implications under each model in early 2025. This analysis played a central role in developing the final recommendations.

Table 1. Overview of Planning Phases

| Phase | Summary & Objective | Key Actions & Deliverables |
|--------------------------------|--|---|
| 1. Preparation | Clarify scope, align stakeholders, and build shared understanding of current conditions and constraints. | <ul style="list-style-type: none"> ■ Facilitated commission retreats ■ Held 1-on-1 meetings with jurisdictions and stakeholders ■ Conducted a SWOT analysis of the existing IGA and operational approach ■ Delivered jurisdiction education sessions to elected officials ■ Conducted regular planning meetings with staff and the Chair |
| 2. Analysis | Assess current state, identify pain points, and analyze potential scenarios through stakeholder engagement and financial modeling. | <ul style="list-style-type: none"> ■ Facilitated joint work session and Commission retreat ■ Synthesized stakeholder perspectives to inform further analysis ■ Collaborated with Tiberius Solutions on financial modeling |
| 3. Strategy Development | Develop actionable recommendations based on analysis and input; align around a path forward. | <ul style="list-style-type: none"> ■ Reviewed financial analysis with jurisdictions and the Commission ■ Developed recommendations and roadmap ■ Presented recommendations to the Commission |

Stakeholder Engagement Strategy

Stakeholder input played a central role in shaping this strategic planning process. Throughout the project, NEX Strategies engaged a range of participants representing different perspectives, responsibilities, and governance roles within the MHCRC ecosystem.

⁶ MHCRC. “Meeting Agenda – November 18, 2024”. November 18, 2024. Pages 5-19. <https://www.mhcrc.org/download/mhcrc-regular-meeting-packet-november-18-2024/?wpdmdl=6415&refresh=68657fde273d1751482333>.



Engagement efforts were organized around five primary stakeholder groups:

- **MHCRC Commissioners.** Commissioners participated in one-on-one interviews, strategic retreats, facilitated work sessions, and ongoing briefings. They provided essential insight into the Commission's history, challenges, and future options. Commissioners also reviewed financial and governance scenarios and engaged in structured conversations about potential paths forward.
- **MHCRC Staff.** Staff members responsible for administering the Commission's operations were interviewed to provide a detailed understanding of the MHCRC's current structure, workflows, staff responsibilities, costs, and insights into operational and policy dynamics. This engagement supported the financial and organizational analysis that followed.
- **Jurisdiction Staff Representatives.** Consultants conducted interviews and work sessions with staff representatives from each of the six jurisdictions (identified by local city managers, councils, or commissions). These meetings focused on understanding jurisdiction-specific needs, capacity constraints, telecommunications policy priorities, and working relationships with the MHCRC. Jurisdiction representatives also participated in group or individual briefings and one-on-one financial review discussions as needed by request. Educational presentations were delivered to city councils to support elected officials' understanding of the MHCRC's role and context amid the strategic planning effort.
- **Community Media Centers.** Leadership team members at Open Signal and MetroEast were engaged through one-on-one interviews, commission retreats, and joint working sessions with commissioners and jurisdictions. Discussions focused on current service delivery models, evolving community needs, and funding dynamics.
- **External Broadband & I-Net Stakeholders.** Consultants conducted targeted interviews with staff-identified stakeholders involved in broadband infrastructure and the institutional network (I-NET), including Portland Public Schools, Multnomah County Library, and Troutdale IT. These conversations provided context around unmet infrastructure and service needs beyond the MHCRC's current scope.
- **External Subject Matter Experts.** Consultants conducted background discussions with peer organizations responsible for cable regulation, though they do not have formal relationships with the MHCRC. These were the Metropolitan Area Communications Commission and the California Public Utilities Commission.

Note: At its request, Multnomah County joined the engagement process later in 2024, following earlier engagement with other jurisdictions. Individual community grant recipients and members of the general public were not included in direct engagement efforts for this planning process.



Methodology and Timeline

The three-phase strategic planning process moved from discovery and assessment to scenario development and analysis to recommendations. The approach emphasized facilitation, strategic analysis, and the synthesis of operational, financial, and stakeholder input.

Table 2. High-Level Project Timeline

| Phase | Timeframe | Description |
|--------------------------------|---------------------------------|--|
| 1. Preparation | January - February 2024 | Initial planning, document review, and background synthesis |
| | February - March 2024 | Commissioner interviews |
| | March 2024 | MHCRC staff interviews |
| | March – April 2024 | Community media center interviews |
| | April 2024 | MHCRC strategy retreat |
| | May – August 2024 | East County jurisdiction representative interviews |
| | August 2024 | Interviews with broadband and I-Net-focused stakeholders |
| 2. Analysis | September – October 2024 | City council presentations (East County) |
| | October 2024 | Legal scenarios presented at MHCRC meeting |
| | November 2024 | Strategic planning process update at Commission meeting |
| | December 2024 | Joint work session with Commission and jurisdiction staff; MHCRC retreat |
| | January 2025 | Planned high-level financial scenarios presented; strategic roadmap development plan |
| | March 2025 | Analytical framework update at MHCRC meeting |
| | February – April 2025 | Financial scenarios finalized and analyzed |
| 3. Strategy Development | May 2025 | Financial analysis update presented to MHCRC |
| | April – June 2025 | Individual jurisdiction briefings on analysis findings |
| | June 2025 | Final recommendations presented to MHCRC; Report drafted |

Drivers of the Strategic Challenge

For decades, the MHCRC's commission model thrived as cable television grew in both subscriber reach and revenue. Today, however, the environment in which the MHCRC operates has changed significantly.

1. Declining Revenues & Changing Consumption

Cable television subscriptions, the foundation of the MHCRC's funding model, have steadily declined as households shift toward streaming services and broadband-based alternatives. As a result, the franchise and PEG fees that sustain the Commission and support community media have fallen steadily, with no viable replacement revenue stream available under current law.

2. Expanded Scope, Limited Regulatory Authority

In response to evolving community needs, the MHCRC broadened its focus to include digital equity, broader telecommunications policy, and local grantmaking. However, its core regulatory authority remains limited and tied to cable television. This misalignment between scope and authority has created operational and financial strain.

3. Ambiguity in Cable Classification

As digital and cable services converge (often delivered via the same infrastructure), it has become less clear what qualifies as "cable television" under federal law. This ambiguity increases the risk that providers may reclassify services as non-cable, making them no longer subject to cable franchise agreements. With Comcast remaining as the region's sole cable provider, this uncertainty amplifies fiscal risk for jurisdictions. Under current law, there is no clear threshold marking a provider's crossover into non-cable service delivery territory.

4. Rising Costs & Structural Imbalance

Driven by staffing, administration, external services, and grantmaking, the Commission's operational costs have grown over time, while revenues have continued to decline. To date, the MHCRC has used reserves to close its annual budget gap, which is unsustainable. Without corrective action, financial projections anticipate that operating costs will soon outpace available resources.⁷ From FYE 2017 to FYE 2024⁸:

⁷ Tiberius Solutions. "Mt. Hood Cable Regulatory Commission, Financial Forecast - Draft." May 9, 2025. Page 56.

<https://www.mhcr.org/download/mhcr-regular-meeting-agenda-and-packet-materials-may-19-2025-1-of-7/?wpdmdl=6513&refresh=6865622c850481751474732>.

⁸ MHCRC. "Recommended MHCRC Fund Budget – Fiscal Year 2018-19" Page 5. 2018.

<https://www.mhcr.org/wp-content/uploads/2018/07/FY2018-19-MHCRC-Fund-Budget-Proposed-.pdf>.

MHCRC. "MHCRC Fund Budget - Fiscal Year 2024-25 Adopted." Page 6. 2024.

<https://www.mhcr.org/download/mhcr-fy2024-25-fund-budget/?wpdmdl=6305&refresh=686562bd1dba11751474877>.



- **Community Technology Grants** grew from \$98K to \$2M (+1,944%)
- **MHCRC operating budget** grew from \$902K to \$1.5M (+69%)
- **Media center funding** grew from \$2.7M to \$3.1M (+14.5%, with year-over-year declines in half those years)

5. Divergent Local Priorities & Coordination Gaps

While jurisdiction stakeholders broadly agree on the value of community media and local oversight, they differ in their preferences for scope and structure when considering their current approach. Some jurisdictions favor a leaner model focused strictly on cable, while others prioritize continued investment in digital equity and community programming. Regarding structure, some seek ongoing collaboration, while others anticipate they have sufficient capacity to work more independently. These differences have complicated efforts to identify a unified long-term direction.

6. Limited Local Authority Over Broadband

As broadband becomes the dominant medium for media delivery, local governments lack clear authority to regulate internet service providers or collect associated franchise or PEG fees. This regulatory gap limits jurisdictions' ability to adapt oversight to today's technology landscape.

7. Media Center Reliance on Cable-Derived Revenues

Community media centers remain heavily dependent on cable-derived PEG fees, despite offering services that extend well beyond traditional cable programming. Open Signal has diversified its revenue structure by entering into direct service contracts with the City of Portland, driven largely by an expanded council and increased public meeting coverage. MetroEast, however, has not secured similar agreements with East County jurisdictions, resulting in greater exposure to future revenue declines. This raises key sustainability concerns.

8. Broad Agreement on the Need to Streamline

Despite differing views on details, stakeholders generally agree that the status quo is unsustainable. There is a shared interest in continuing key regulatory, consumer protection, and PEG access functions, but doing so in a way that is more efficient, clearly authorized, and financially viable.

Scenario Development and Financial Analysis

As part of the strategic planning process, one baseline and three future-state scenarios were developed to evaluate alternative governance models, service delivery structures, and financial implications. The scenarios were informed by legal frameworks (developed by Bradley Warner), input from jurisdiction representatives and commissioners, and the jurisdictions' stated shared

desire to identify cost-saving, sustainable paths forward. Tiberius Solutions developed financial projections using cost parameters and policy assumptions derived from these scenarios.

Table 3. Scenario Overview

| Scenario | Description |
|---|--|
| Scenario 1: Adjusted Status Quo | Retains the existing MHCRC structure with a narrower focus on cable oversight and reduced operational scope. Community Technology Grants are phased out, staffing is realigned, and commission meeting frequency is reduced. |
| Scenario 2: Sunset Current Commission Structure | Winds down the MHCRC over approximately two years. Jurisdictions manage oversight and fee administration under a revised IGA. Remaining community grants transition to jurisdiction administration and conclude. Staff are reassigned. Legal functions are contracted as needed. |
| Scenario 3: Transfer Responsibilities to an Independent Entity | Dissolves the MHCRC and transfers core responsibilities to a new or existing independent entity (ORS 190 or contracted third-party). Community grants are administered to conclusion, and PEG/franchise fee administration is centralized. |

Key Scenario Assumptions

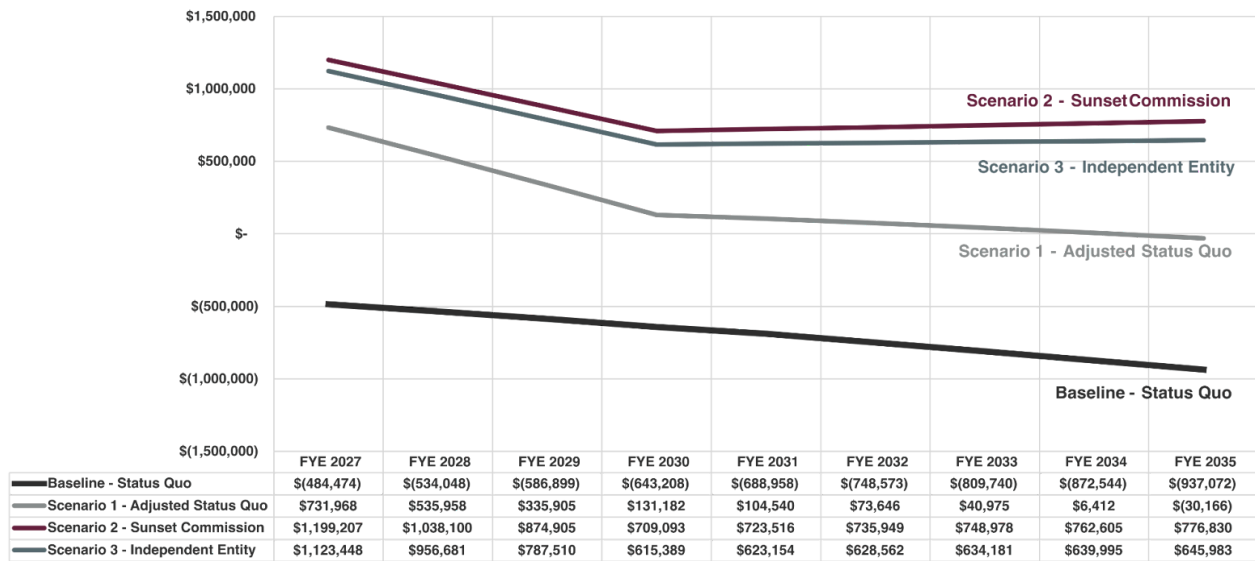
To assess long-term sustainability, Tiberius Solutions developed 10-year financial projections for each scenario, using cost estimates and staffing models provided by NEX Strategies, publicly available historic budget, and supplemental historical financial data and budget figures provided by MHCRC staff. Each scenario reflects projected operating costs, available PEG and franchise fee revenues, and the estimated impact of cost-saving measures over a 10-year period (FYE 2026–FYE 2035). The projections were based on assumptions about cable revenue decline, reserve balances, and operational needs:

- **Community Technology Grants** are phased out or discontinued to reduce structural costs and simplify operations.
- **Franchise and PEG Fees** continue to decline based on recent trends, with no new revenue sources assumed.
- **Staffing and Overhead** are adjusted in each scenario to reflect the reduced scope.
- **Franchise Oversight** continues as a core function, with legal costs modeled based on periodic renegotiation cycles.
- **Non-Cable Telecommunications Policy** remains the responsibility of individual jurisdictions across all scenarios.

Financial Outlook

The results clearly demonstrate that continuing with the current model is financially unsustainable. Under the baseline scenario (Status Quo), the MHCRC's operating deficit grows significantly year over year, resulting in a cumulative net operating loss of \$11.6 million by FYE 2035.⁹ In contrast, each alternative scenario reduces or eliminates this deficit.

Figure 1: 10-Year Projections: Net Operating Income - Scenario Comparison



Each alternative scenario yields long-term savings by limiting operating costs through a focused scope that aligns services with jurisdiction priorities and revenues. Scenarios 1 (Adjusted Status Quo), 2 (Sunset Commission), and 3 (Independent Entity) result in a projected 50%, 80%, and 77% cost reduction, respectively. However, there are nuances to consider:

- Cost Variability.** Though sunsetting the commission and empowering an independent entity performed similarly in the analysis, an independent entity introduced significant cost variability depending on the type of organization selected to provide core functions (e.g., non-profit vs for-profit, existing vs new) and the ultimate fee-for-service model, which would be dependent on established rates.
- 5-Year vs 10-Year Timeframe.** Adjusting the status quo stabilized finances over the five-year timeframe, but not the full decade.
- Structural Savings.** Sunsetting the commission resulted in the greatest opportunity for structural savings, as it substantially reduced the required ongoing operating footprint and overhead.

⁹ "Mt. Hood Cable Regulatory Commission, Financial Forecast - Draft." Page 58.



Table 4. Savings Drivers

| Driver | Description |
|----------------------------|--|
| Narrower Focus | Focusing on cable reduces operating requirements and aligns available financial resources. |
| Grantmaking Program | Winding down community tech grants frees up discretionary funding. |
| Operating Model | Aligning MHCRC staff roles with a narrower, cable-specific focus and reduced ongoing commission needs reduces the operational footprint. |
| Overhead Costs | A smaller operational footprint reduces facilities, IT, and administrative costs. |

Strategic Plan and Recommendations

The recommendations outlined in this report are grounded in the strategic realities facing the MHCRC and its member jurisdictions. They are the product of 18 months of assessment, stakeholder engagement, financial modeling, and structural evaluation. This section presents a set of interconnected recommendations that together form a feasible and actionable strategic roadmap.

A Shared Path Forward

While member jurisdictions have expressed a range of perspectives on the ideal future of the Commission, several consistent themes and shared objectives have emerged. These form the foundation of this strategic plan:

- **Ensure Financial Sustainability.** The MHCRC's current structure is not fiscally sustainable in light of declining revenues. There is strong consensus that any future model must be right-sized to the available funding and avoid ongoing structural deficits.
- **Preserve Core Regulatory Functions.** Cable oversight – particularly related to franchise agreement oversight, use of the right-of-way, and consumer protection – remains a shared interest across jurisdictions. Maintaining the ability to carry out these responsibilities remains a core objective.
- **Support PEG Access.** Jurisdictions recognize the importance of PEG access, particularly the work media centers perform to broadcast public meetings and produce community-centered content.
- **Adapt to Shifting Technology and Authority.** Stakeholders acknowledge the limitations of local regulatory authority over broadband and non-cable video providers. There is interest in aligning scope and structure to reflect this constrained landscape.

- **Reduce Complexity and Overhead.** The current commission model is administratively complex, requiring regular meetings, jurisdictional approvals, and dedicated staffing. Simplification and streamlining have emerged as key goals.
- **Clarify Roles and Responsibilities.** As the line between cable and broadband has blurred, stakeholders have expressed the need for clearer delineation of who is responsible for what, especially in advocacy and communications.

These priorities have informed the plan's structure and content. Each recommendation addresses one or more of these shared goals, and together they form a strategic transition that supports long-term stability, community needs, and local control.

Recommendations: Translating Priorities into Action

1. Begin Phasing Out the MHCRC Structure

The recommendation to wind down the MHCRC over a defined transition period reflects widespread consensus that the current structure is no longer sustainable. Member jurisdictions expressed a strong preference for reducing complexity while preserving core cable-related functions. Sunsetting the commission structure allows for an orderly transition to a new intergovernmental coordination model, avoiding abrupt disruption and ensuring continuity during the grantmaking wind down and staffing realignment phases.

2. Narrow the Commission's Scope to Core Cable Oversight

In interviews and the public joint work session, jurisdictions highlighted the need to realign MHCRC's scope with its legal authority and/or financial capacity. Narrowing the scope by eliminating broadband policy advocacy and non-cable initiatives would prioritize cable-related functions that can be feasibly delivered under current law and within projected cable revenues. It also addresses long-standing concerns about role clarity as cable and broader telecommunications work have become blurred.

3. Align Staffing and Reduce Commission Meeting Frequency

Transitioning to quarterly meetings and aligning staff roles to match a focused cable oversight mission reduces costs and reflects the reduced volume of regulatory activity, particularly as franchise renewals and complaint volumes have decreased. This advances the shared goal of administrative efficiency. It also responds to jurisdiction feedback about ensuring a manageable workload for volunteer commissioners and maintaining sustainable staff levels.

4. Phase Out the Community Technology Grant Program

Stakeholders agreed that, while impactful, the grants program has become financially untenable. The financial analysis found that the grants program would likely wind down naturally



within a few years due to a lack of available discretionary funds.¹⁰ The structural gap between available funding and increasing expectations for community technology services has led to a natural sunset trajectory. Ending new grantmaking and concluding current grants ensures responsible use of remaining funds, allowing jurisdictions to refocus resources on identified long-term needs.

5. Establish a New IGA to Coordinate Oversight and Fund Distribution

Rather than fully decentralizing cable oversight, a shared-services model coordinated through a new intergovernmental agreement supports continuation of collective franchise negotiations, legal contracting, and PEG fund administration, with a jurisdiction serving as the administrative lead. It eliminates the need for a formal commission and reflects stakeholder interest in maintaining collaboration, particularly for smaller jurisdictions lacking internal capacity.

6. Agree on a PEG Funding Baseline for Media Centers

Media centers serve as designated PEG access providers, and stakeholders reaffirmed their value throughout the strategic planning process, especially around providing public meeting coverage. Today, they increasingly provide these services through digital media channels, though the work is sustained by a declining and disconnected revenue source – cable television. This recommendation would have jurisdictions establish a consistent, predictable funding baseline for PEG-related services and have them negotiate with media centers to fund additional services based on local needs. It helps ensure continued community media operations as cable revenues decline.

7. Develop and Implement a Change Management Plan

A change of this magnitude will impact a broader ecosystem reflected by varied geography, roles, and relationships to the jurisdictions and the MHCRC. Broader stakeholders include local residents, media center and commission staff, franchisees, grantees, other public institutions, and community organizations. There will be a need for transparency and support as jurisdictions shift into new roles and responsibilities. A dedicated change management plan, including communications tools, staff transition guidance, and IGA implementation support, will facilitate a smoother handoff, reduce confusion, and maintain public trust throughout the transition.

Implementation Plan: A Feasible Roadmap

The following implementation plan outlines a viable, sequenced transition from the current MHCRC structure to a streamlined, jurisdiction-led model. It reflects shared goals of financial sustainability, simplified governance, and continued support for public access and oversight in a changing technology landscape.

¹⁰ "Mt. Hood Cable Regulatory Commission, Financial Forecast - Draft." Page 56.

Even once major stakeholders begin to coalesce around a general direction, individual jurisdictions will still need to make key decisions, such as whether and how they wish to continue participating in a joint effort related to cable regulation and fund administration. The roadmap below is not the only possible path, but it offers a feasible and coordinated approach.

Figure 2. Overview: Implementation Roadmap



Table 5. Implementation Timeline and Milestones

| Phase | Key Milestones and Actions | Key Stakeholders |
|--|--|--|
| 1. Transition Preparation <i>June – September 2025</i> | <ul style="list-style-type: none"> Commission reviews and adopts a strategic plan Scope narrows to cable-only focus Internal jurisdictional review of recommendations Launch planning for grant sunset and staff reassignment Initiate draft IGA and change management plan development | <ul style="list-style-type: none"> MHCRC Commission MHCRC staff Jurisdiction reps |
| 2. Design Successor Structure <i>October 2025 – June 2026</i> | <ul style="list-style-type: none"> Negotiate and draft a new IGA Define the administrative lead role Reach an agreement on legal contracting, PEG fund distribution, and reserve policy Identify support needs for any open grants Finalize PEG baseline funding levels and any agreements with media centers | <ul style="list-style-type: none"> Jurisdiction reps Legal counsel Media centers MHCRC staff |
| 3. Operational Transition & Wind-Down <i>July 2026 – June 2027</i> | <ul style="list-style-type: none"> Begin formal administrative wind-down of MHCRC Shift operations and oversight to the designated administrative lead Close or transfer the remaining grants Implement change management communications Formally dissolve MHCRC | <ul style="list-style-type: none"> MHCRC staff Administrative Lead Media centers Grantees Elected Officials |



Key Jurisdiction Decision Points

To shape and operationalize the successor structure, jurisdictions must answer a core set of questions. These decisions will directly inform the change management plan, align stakeholder roles, and provide needed clarity to community partners, staff, and the public.

Governance and Administration

- **Cable Oversight.** Will jurisdictions continue to coordinate cable oversight through a joint structure? If so, what form will that structure take?
- **Staffing Requirements.** How will administrative functions (e.g., financial management, consumer complaint handling, reporting, franchise agreement oversight) be staffed and resourced? Will a lead jurisdiction assume responsibility?
- **Coordination & Role Clarity.** How will roles and responsibilities be shared and communicated? What level of participation or authority will each jurisdiction retain?
- **Fee Disbursement.** How will fund disbursement be administered going forward – centrally or through each jurisdiction?

Community Grants Transition

- **Existing Grants.** How will remaining MHCRC grants be closed out, and over what timeframe? Will a successor entity or administrative lead be tasked with managing reporting and compliance?
- **Grantmaking.** Will jurisdictions offer any replacement funding for community technology projects to continue, or will the grant program sunset completely?
- **Grantee Communications.** How will communications with grantees and the public be coordinated during the wind-down?

Media Center Funding

- **PEG Access and Funding.** What level of PEG access services is required by jurisdictions going forward? How will jurisdictions maintain support for established PEG-related services? Will there be a standard funding baseline tied to PEG fees?
- **Media Center Service Agreements.** Will media centers enter into separate service agreements with jurisdictions for services beyond baseline PEG obligations?

Timing and Coordination

- **Commission Structure.** Assuming the current commission structure is phased out, when will operations formally conclude? Will jurisdictions target the end of FYE 2027?
- **Change Management.** How will change management efforts be coordinated across jurisdictions, staff, and partners?
- **Resource Planning.** What internal staffing, legal, and financial resources will jurisdictions allocate to support implementation?



Conclusion

The Mt. Hood Cable Regulatory Commission was created as a regional response to a rapidly evolving communications landscape. At a time when few local governments had the tools or expertise to navigate the emerging cable industry, the Commission served as a successful collaborative structure for shared oversight, public accountability, and community investment. Over the past three decades, it has helped member jurisdictions manage cable franchise agreements, fund community media, and respond to shifts in federal policy and technology.

Today, that landscape has changed. Cable revenues are declining. Regulatory authority is limited. Community needs continue to grow more complex. In this new context, the current structure is no longer sustainable, and the assumptions that shaped the Commission's original design no longer hold. The moment calls for a transition.

This strategic plan presents one feasible implementation pathway based on more than a year of input from MHCRC commissioners, staff, jurisdictional representatives, media centers, and other partners. The plan offers a sequenced roadmap to phase out the current Commission structure, align functions with available authority, and preserve core oversight and funding roles through a streamlined successor model.

But a plan alone does not create change. While this plan offers a clear path forward, it will require active engagement from each jurisdiction to take effect.

The window to act is short, and inaction risks allowing external factors to undermine shared priorities around fiscal sustainability, PEG access, and proactive adaptability. The work ahead is complex, but the path forward is now visible. What's needed is movement.

Jurisdictions must now take the lead in shaping how this transition unfolds. Decisions around governance, funding, and administrative coordination will determine whether this moment leads to fragmentation or a renewed, right-sized regional approach. These decisions will influence not just what replaces the Commission, but how jurisdictions collaborate to manage shared responsibilities in the years ahead.

Appendix A: Detailed Financial Scenarios

Scenario 1: Adjusted Status Quo

Overview

In this scenario, the MHCRC continues operating under its current structure, with the City of Portland continuing as its administrative lead. Adjustments realign the commission's scope and costs with today's fiscal and policy environment. The scenario reflects a conscious shift toward a streamlined, cable-focused organization, preserving core responsibilities while reducing discretionary functions and long-term expenses.

Program and Policy Changes

The most significant change involves phasing out the Community Technology Grant Program over two years. The program would fulfill all existing grant commitments, but would cease awarding new grants. The grants program relies on reserve funds, and Commissioners previously noted that its reduction would not compromise the commission's primary regulatory responsibilities.

The commission's policy scope would also narrow. Going forward, it would focus solely on cable-related matters, with broadband-related issues (e.g., such as net neutrality, infrastructure, or digital equity) falling outside of its purview. Jurisdictions would retain primary responsibility for broadband issues through their own internal advocacy and coordination efforts.

Administrative Adjustments

Winding down the grants program would also support a shift in the commission's meeting schedule from monthly to quarterly. This change reflects both the reduced grants and policy workload, as well as the significant decline in cable-related consumer complaints. Broadband-related complaints, which now comprise most of the inquiries received, are already routed to Comcast through Portland's 3-1-1 system and would continue to follow that process.

Though the need is more limited, franchise oversight would remain a core commission function. With only one franchise (Comcast) remaining, and negotiations occurring on a 3-5 year cycle, ongoing management needs are modest and can be addressed through cyclical staffing support as needed.

Staffing and Cost Considerations

Over time, the staffing model would be adjusted to reflect the commission's narrower scope. Roles primarily tied to grant administration or non-cable policy work would sunset, with remaining staff focused on franchise negotiations, administrative functions, and basic coordination. City of Portland staff currently assigned to MHCRC would be gradually reassigned to other responsibilities, and associated overhead costs (e.g., IT and facilities) would be reduced accordingly. Legal services would remain outsourced to external counsel.



This scenario preserves the MHCRC as a compliance-focused, cross-jurisdictional body while aligning its mission and costs with available resources and core responsibilities.

Summary

- Maintains MHCRC structure, with reduced scope focused solely on cable regulation.
- Community Technology Grant Program is phased out; policy focus narrows to cable only.
- Quarterly meetings replace monthly; complaint intake remains streamlined through 311.
- Staffing and overhead realigned to narrower oversight responsibilities
- Jurisdictions resume sole responsibility for broadband-related policy and advocacy.

Scenario 2: Sunset Current Commission Structure

Overview

Over approximately 2-3 years, this scenario would dissolve the MHCRC as a formal entity after winding down operations and eliminating its appointed commission, dedicated staffing structure, and community technology grants program. While the external environment would remain the same — declining cable revenues, restricted regulatory scope, and a declining volume of cable-related consumer complaints related to cable television — jurisdictions would opt to manage their cable oversight responsibilities independently. A new intergovernmental agreement (IGA) would facilitate coordination and enable streamlined cost-sharing for limited functions and external professional services.

Structure and Operations

Each jurisdiction would take on responsibility for day-to-day cable-related regulatory functions, such as complaint handling, franchise agreement compliance monitoring, and policy tracking, integrating these tasks into existing staff roles. These responsibilities would require modest fractional increases to current FTEs and avoid the need for dedicated commission staffing.

A revised IGA would establish shared infrastructure and rules for administering PEG and franchise fees. One jurisdiction would act as the administrative lead, collecting and distributing funds to jurisdictions and media centers based on the agreement. Under this model, a commission no longer allocates franchise fee revenues, simplifying administrative processes related to annual budgeting and jurisdiction approvals.

Every 3-5 years, jurisdictions would negotiate franchise agreements through a shared contract with external legal counsel. This centralized legal support would be used only as needed and funded through a pooled reserve held by the jurisdiction serving as the administrative lead.

Policy and Public Interface

This scenario discontinues the commission's policy role. Instead, each jurisdiction would be responsible for its own policy tracking and advocacy. Informal coordination may occur, but no formal governing body would remain. If desired, the external counsel could provide legal



guidance related to cable policy and regulatory issues, thereby addressing a potential staff capacity gap for smaller jurisdictions.

Public communication and complaint handling would be decentralized. Each jurisdiction would maintain its own request intake system, franchise information, and public-facing support. This flexibility allows jurisdictions to align their communications with existing workflows, though some variation in service delivery may result across the region.

Cost Savings Opportunities

- **Commission Staffing Structure.** All roles specific to the MHCRC are phased out, with limited fractional increases in local staff.
- **Discontinuation of Grantmaking.** Eliminates costs associated with program administration, review, oversight, compliance, and reporting.
- **Reduced Overhead.** No shared IT, facilities, budget development, or general operations costs borne by the City of Portland on behalf of the commission.
- **Contracted Legal Services.** Legal and policy support are shifted to a flexible, as-needed contract model.
- **Fee Disbursement Efficiency.** Funds are distributed directly to jurisdictions and media centers, reducing administrative processing.

Transition Considerations

The MHCRC would wind down over 2-3 years, closing out existing grants and reassigning staff through standard City of Portland workforce procedures. Jurisdictions would negotiate a revised IGA, formally dissolving the commission once all structural transitions are complete. The IGA should include basic terms for coordination, fund management, and dispute resolution.

Summary

- MHCRC is dissolved; no commissioners, dedicated staff, or grants program.
- Jurisdictions assume an oversight role with minor anticipated internal staffing adjustments.
- New IGA coordinates fee collection, legal contracting, and shared financial functions.
- PEG and franchise fees flow to jurisdictions and media centers more directly.
- Administrative functions are streamlined and activated only as needed.
- Public interface and policy responsibilities are decentralized.
- Cost savings realized through reduced need for a dedicated staffing model, overhead expenses, and operational complexity associated with the commission model.

Scenario 3: Transfer Responsibilities to an Independent Entity

Overview

In this scenario, jurisdictions choose to transfer the core operational responsibilities of the MHCRC — primarily franchise oversight, financial administration, and coordination with community media centers — to an external entity that operates independently from jurisdictional staffing and political appointment structures. The aim would be to preserve essential oversight functions while achieving greater flexibility, streamlined operations, and long-term cost control.

External conditions would remain consistent with the other scenarios: continued cable revenue declines, broadband-related complaints beyond the scope of authority, and limited regulatory authority over broadband providers. However, rather than managing these responsibilities through a commission or distributed jurisdictional staffing, this scenario centers service delivery in an independent structure, and all advocacy related to broadband would remain the responsibility of individual jurisdictions.

Structure and Operations

In both variations of this scenario, the MHCRC would formally dissolve. Core responsibilities — such as franchise fee disbursement, franchise agreement compliance, complaint intake, and legal coordination — would transfer to a third-party organization that delivers services under terms defined by the jurisdictions.

Community technology grants would not continue under this model.

Franchise fees and PEG funds would be collected and distributed centrally based on a shared agreement, simplifying administrative workflows.

Similarly, public intake and communication would be managed centrally, with clear routing of consumer inquiries. Jurisdictions would retain control of broadband-related policy and decision-making but would not oversee day-to-day cable-related operations.

Operational Variations

Variation A: New ORS 190 Intergovernmental Entity

Jurisdictions would enter into a new intergovernmental agreement to form an ORS 190 entity dedicated to managing cable-related functions. This entity would operate with its own staffing, financial systems, and administrative infrastructure.

- Established through an IGA among participating jurisdictions.
- Managed by a formal board with regional representation.
- Employs a small, dedicated team to provide administrative, legal coordination, and public-facing services.
- Offers long-term structural independence from city-specific governance or resource constraints.



Variation B: Contracted Third-Party Administrator

Rather than forming a new entity, jurisdictions would jointly contract with an existing third-party organization, such as a consulting firm or nonprofit with the expertise to manage cable-related services.

- Jurisdictions define scope and expectations through a performance-based contract.
- Core responsibilities are delivered under contract terms with oversight retained by jurisdictions.
- May offer lower start-up complexity, but could provide less institutional continuity over time.

Cost Considerations and Potential Efficiencies

- **Elimination of the City Staffing Model.** Jurisdictional personnel, facilities, and administrative infrastructure are no longer required.
- **Grant Program Sunset.** Phased out Community Technology Grant Program and associated costs.
- **Centralized Administration.** Fee collection, disbursement, and complaint handling are centralized.
- **Flexible Staffing and Contracting.** Services are tailored to current needs, with costs scaled accordingly.
- **Predictable Cost-Sharing.** Jurisdictions agree to contributions or payment schedules in advance through IGA or contract.

Transition Considerations

The transition from the commission to an independent structure would occur over 2–3 years. Jurisdictions would negotiate the IGA, establish interim coordination procedures, and support legal and operational transitions. The new entity or contractor would assume responsibility following the conclusion of the community technology grants program and staff reassignment. Oversight mechanisms, cost-sharing formulas, and performance benchmarks would be defined during this process.

Summary

- MHCRC is dissolved; core functions transition to an independent service delivery model.
- Jurisdictions select between forming a new ORS 190 entity or contracting with a third-party administrator.
- Community technology grants are discontinued.
- Administrative, financial, and legal responsibilities are centralized.
- Broadband policy remains under the control of individual jurisdictions.
- Cost savings result from eliminating commission infrastructure and narrowing the scope of work
- Centralized coordination provides long-term flexibility and improved scalability.



Overview of Scenarios

| Topic Area & Key Question | Scenario 1: Adjusted Status Quo | Scenario 2: Sunset Commission Structure | Scenario 3: Contract with Independent Org |
|--|--|---|---|
| Governance & Oversight <i>What entity leads and makes decisions?</i> | Maintains current MHCRC structure, led by appointed commissioners. | MHCRC dissolved; no formal commission. Jurisdictions self-manage oversight through a revised IGA. | MHCRC dissolved; functions managed by independent entity or third-party service provider. |
| Core Staffing & Operations <i>Who handles day-to-day responsibilities?</i> | City of Portland staff with narrowed scope focused on cable regulatory oversight. | Individual jurisdiction staff (fractional assignments) | Independent team (ORS 190 entity or contracted provider). |
| Grants Program <i>Are community tech grants continued?</i> | Phased out over ~2 years. | Discontinued ahead of commission dissolution. | Discontinued ahead of commission dissolution. |
| Policy & Advocacy Role <i>Who manages non-cable issues like broadband?</i> | Policy scope narrowed to cable only; jurisdictions manage broadband issues. | Jurisdictions independently handle broadband issues. | Jurisdictions manage broadband policy; provider tracks only cable issues. |
| Public Communication <i>How do residents get support and submit complaints?</i> | Centralized complaint intake via Portland 311. | Decentralized; each jurisdiction manages its own intake process. | Centralized intake managed by independent provider; streamlined routing. |
| Franchise Oversight <i>How are franchise agreements negotiated and enforced?</i> | Retained; legal counsel contracted as needed. One franchise remaining. | Managed locally; legal services coordinated through revised IGA. | Centralized legal support managed under contract by third-party provider. |
| Financial Administration <i>Who collects and distributes PEG/franchise fees?</i> | Managed by the City of Portland. | Administrative lead jurisdiction collects and distributes fees. | Fees centrally managed and disbursed by the service provider or ORS 190 entity. |
| Cost Efficiency <i>What cost savings are expected?</i> | Reduced staffing and overhead needs; streamlined operations due to narrower focus. | Reduced staffing and overhead needs; modest increases to internal capacity. | Flexible, right-sized model with shared administration; lower long-term costs |
| Transition Requirements <i>How complex is the shift to this model?</i> | Staff reassignment and internal restructuring; existing grants are completed. | 2-3 year wind-down; IGA developed; staff reassigned. | 2-3 year transition; responsibilities transfer after IGA & governance framework finalized |



Appendix B: Glossary of Terms

Administrative Lead. In the strategic plan, a designated jurisdiction for coordinating shared functions such as fund distribution, legal contracting, and operational support following the wind-down of the MHCRC.

Broadband. High-speed internet service typically delivered via fiber, cable, DSL, or wireless infrastructure. Unlike cable television, broadband is not currently subject to local franchise fee or PEG fee requirements under federal law.

Cable Franchise Agreement. A contract between a local government (or joint regulatory body) and a cable provider, authorizing the provider to use public rights-of-way for delivering cable television services. These agreements establish service obligations, reporting requirements, and fee structures.

Franchise Fee. A general-purpose fee paid by cable providers to jurisdictions, set at up to 5% of gross cable television revenues. These funds may be used for operations, staffing, or to support media centers, subject to local policy.

PEG Fee (Public, Educational, and Government Access Fee). A dedicated fee collected from cable providers to support the capital costs of community media infrastructure and services (e.g., equipment, studios, digital tools). As of early 2024, PEG fees were reduced from 3% to 2.5% of gross cable television revenues.

Community Media Center. Organizations (Open Signal and MetroEast) designated by jurisdictions to provide PEG access services. Services include public meeting coverage, local content creation, media literacy programs, and production facilities for residents.

Community Technology Grant Program. A program administered by the MHCRC to provide capital grants to schools, libraries, nonprofits, and other community organizations to expand access to communications technology and media creation tools. Funded through PEG fees.

East County Jurisdictions. Refers to the cities of Gresham, Fairview, Troutdale, Wood Village, and East Multnomah County. Under the IGA, 60% of their franchise and PEG revenues are allocated to MetroEast to support PEG services in those communities.

Intergovernmental Agreement (IGA). A legal agreement between jurisdictions outlining the structure, governance, and funding responsibilities for the MHCRC and related services. The IGA defines revenue allocation (e.g., East County's 60% allocation to MetroEast) and decision-making processes.



MetroEast. The community media center serving East County jurisdictions. Funded through a portion of local PEG and franchise fees.

Mt. Hood Cable Regulatory Commission (MHCRC). A regional body formed in 1992 through an intergovernmental agreement to manage cable franchise regulation, PEG access support, and community media investments across six jurisdictions in Multnomah County.

Open Signal. The community media center serving the City of Portland. Funded through a portion of local PEG and franchise fees.

ORS 190 Entity. An independent entity formed under Oregon Revised Statute (ORS) 190, which allows jurisdictions to jointly create a separate public body to perform shared functions. Considered as one option for replacing the MHCRC structure.

Portland 3-1-1. The centralized non-emergency information and service request system operated by the City of Portland. Responsible for routing cable-related consumer complaints.

Reserve Fund. Unspent PEG and franchise fee revenues held by the MHCRC for future allocations. Reserves have historically been used to close operating deficits and fund community grantmaking.

Sunset. A structured, time-bound phase-out of an entity, program, or function. In this report, it primarily refers to the proposed wind-down of the MHCRC's structure and responsibilities over an approximately two-year period.

MHCRC Staff Organizational Chart

