



MT. HOOD CABLE REGULATORY COMMISSION
Portland Community Media, Studio A
March 21, 2016 Meeting Minutes -- **DRAFT**

SUMMARY MINUTES

THESE MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE COMMISSION AT A SUBSEQUENT MEETING. PLEASE REFER TO SUBSEQUENT MINUTES FOR APPROVAL OR CHANGES.

Call to Order: 7:19 pm

- Roll Call

Commissioners present: Carol Studenmund (Chair); Sue Dicile, Rich Goheen, Norm Thomas, Scott Harden, Mike Bennett, Leif Hansen

Commissioners absent: Mike Bennett, John Branam

Staff: Julie Omelchuck, Program Manager; Ben Walters, Legal Counsel; Rebecca Gibbons, Program Coordinator

- Agenda Review: none.
- Disclosures: Studenmund said she'd been in contact with Marc Farrar, Comcast, in regards to availability of the Internet Essentials program in Tillamook.
- Public Comment: none
- CONSENT AGENDA

- C1. January 25, 2016 Meeting Minutes
- C2. March 5, 2016 Retreat Minutes
- C3. Community Technology Grant Agreement: Slavic Community Center of NW

MOTION: Dicile moved to approve the Consent Agenda as presented. Goheen seconded.

VOTE: 6-0

- REGULAR AGENDA

R1. Cable Companies Annual Activities Presentation (Information Only)

- Frontier: Jason Mocca, General Manager, reported on Frontier's involvement in the community. Mocca said Frontier support veterans and as example Frontier recently took steps to help replace a flag for a veteran that was killed in Afghanistan. Mocca said he is

a veteran and that about 20% of Frontier's Oregon workforce are veterans. Mocca said Frontier is involved with the Gresham Chamber of Commerce. Mocca is an East Metro Economic Alliance Board member. Mocca said a few other examples of Frontier's community involvement include work with Snowcap, My Father's House, Skyline Pub and the Gorge Run.

In response to a question from Thomas, Mocca said Frontier is not currently a member of the West Columbia Gorge Chamber of Commerce, but is interested in joining.

- **Comcast:** Marc Farrar said that even though Comcast video subscribership is not growing, franchise fees and PEG fees continue to climb. Annual from 2014 to 2015 franchise fees grew from \$8.3 million to 8.5 million. Farrar said PEG fees grew from \$4.97 million to \$5.09 million in 2015. Farrar said the fees are used to support the operations of MetroEast and PCM and initiatives such as those that are happening in the Rockwood community. Farrar said call center performance continues to improve. Farrar said a couple years ago Comcast transitioned its local call centers into regional centers of excellence model. Farrar said the transition period in 2013 where call responsiveness dipped to levels that Comcast was not satisfied with. Farrar said call responsiveness is significantly better than ever before. Farrar said call answering statistics in the past year have been in the high 90% range. Farrar said Comcast continues to add streaming networks to the video service package, deployed the X1 system and voice remote. Farrar said Comcast has made improvements to the customer experience through tech tracker and the ability to schedule a call back from a call center representative. Farrar said Comcast continues to focus on home Wi-Fi improvements and giving customers easy access to their account information through the My Account app. Farrar said Comcast's philanthropic contributions include investing \$3.5 million to 100+ organizations across west coast footprint. Farrar said Comcast Cares Day is April 30 and is the largest corporate philanthropic day in the country. Farrar said Comcast was also involved in the Grim Gala held on Feb 13, where the cast and crew of Grim attended a benefit for children at Doerenbechers. Farrar said the event raised \$386,000. Farrar said Comcast is doing its best to address complaints received through the MHCRC staff. Farrar said the 250 complaints recorded in MHCRC staff's annual complaint report represented 141 callers with multiple issues. Farrar said his staff recorded only 99 complaints.
- **Reliance Connects:** Matt Day said Reliance Connects launched in 2009 in the Corbett area of unincorporated Multnomah County. Day said Reliance Connects also serves in Clackamas and Estacada since the mid-80s. Day said Reliance Connects' facilities pass 1200 homes with FTTH and offers 100 mb Internet service. Day said the internet service is expected to reach gigabit soon. Day said the video service includes 162 total channels, 35 movie channels and 82 HD channels. Day said Reliance Connects completed two fiber build projects last year. Day said that while Reliance Connects didn't gain any new customers last year, they haven't lost any customers. Day said challenges to growing its subscriber base include competition from over-the-top options and the increased cost of programming contracts. Days said Reliance Connects is planning a system upgrade for 2016 to make its fiber plant 2-way capable. Day said Reliance Connects staff participated in the Corbett 4th of July celebration and contributes funding to local organizations.

R2. Special Grant: Portland Public Schools Television Services (Information Only)

Gibbons said staff is seeking input and direction on a possible Special Grant for Portland Public Schools Television Services (PPS TVS) of approximately \$150,000 from the MHCRC Community Grants fund in order for PPS TVS to upgrade its education access channel and production capabilities to high definition (HD) technology. Gibbons said PPS TVS approached staff during the Community Technology Grants competitive pre-application process to discuss funding opportunities for PPS TVS's needed transition of its channel production to HD. Gibbons said all other designated access providers (PCM, MetroEast and PCC) qualify under the Community Technology Grants. However, Gibbons said PPS TVS became ineligible when the MHCRC moved public school districts to the TechSmart Initiative. Gibbons said the Grant Committee, in making its recommendation to restrict school districts as applicants in the Community Technology Grants process, anticipated that some anomalies might arise in the future as the MHCRC developed its funding opportunities. Gibbons said the Committee also recognized the Commission's established Special Grant process and criteria as a possible way to address future issues, such as this anomaly for PPS TVS. Gibbons said that in order to address this issue longer term, staff plans to bring an action item to the MHCRC in May to add "designated access providers under the cable services franchise agreements" to organizations eligible for funding under the Community Technology Grants. Gibbons said, in the meantime, staff recommends moving forward with a grant agreement with PPS TVS from Community Grant funds.

In response to a question from Thomas regarding use of the 1% PEG fees that provide capital support to the access centers, Omelchuck said, historically the funds have been provided to MetroEast and PCM. Omelchuck said the fund currently has a balance of about \$200,000. Omelchuck said this balance is reserved as a contingency to address any shortage in revenues. Omelchuck said the MHCRC could make the decision to reduce future funding to PCM and MetroEast in order to include PPS and PCC; however this decision could not impact current funding levels to PCM and MetroEast.

Dicile said consideration of the 1% capital fund for PPS and PCC might be worth considering. Dicile said PCM and MetroEast did not have to apply for capital grants through the competitive grant process for their facility upgrades.

MOTION: Thomas moved to direct staff to move forward with a Special Grant agreement with PPS TVS for the purpose of upgrading its facilities to HD through a one-time \$150,000 grant from the 1% capital fund. Dicile seconded.

DISCUSSION

Walters said Thomas' motion presents a change in the Commission's policy for allocating capital funds.

In response to a question from Hansen Omelchuck said the MHCRC has the flexibility to manage the capital funds. Omelchuck said staff maintains a financial model that allocates revenue into buckets, i.e. 1% goes to access corporation capital funding, and that is how staff determines the annual budget amount for PCM and MetroEast. Omelchuck said staff is recommending that the support for PPS TVS come from the funds remaining in the Community Grants 'bucket.'

VOTE: 3-3 failed. (Goheen, Dicile and Studenmund voted nay)

MOTION: Dicile moved to direct staff to bring forward a Special Grant Agreement with PPS TVS in the amount of \$150,000 and funded from Community Grants. Goheen seconded.

VOTE: 5-1 passed.

In response to a question from Harden, Omelchuck said the Commission's Special Grant funding criteria is posted on the MHCRC website. Omelchuck said the MHCRC has awarded contracts under the Special Funding criteria only a few other times for similar special circumstances.

In response to Commission discussion, Goheen suggested the Grant Committee continue to discuss and make recommendations to the full Commission pertaining to eligibility requirements for the competitive grant program and use of the 1% PEG capital funds.

***R3. Comcast's Annual I-Net End-Fund Report**

Gibbons said that under a Franchise side letter agreement, Comcast retained the funds remaining in the I-Net Fund at the conclusion of the prior cable franchise. Gibbons said that under the renewed franchise, the MHCRC collects and administers all PEG/I-Net funds received going forward. Gibbons said the I-Net fund retained by Comcast is now referred to as the I-Net End Fund. Gibbons said the I-Net End Fund beginning balance was over \$4.1 million. Gibbons said the I-Net End Fund may be used to offset construction costs of line extensions that exceed the Standard Installation formula. Gibbons said the decision to construct a site is at Comcast's discretion, however staff continues to provide oversight and approval of End Fund expenditures. Gibbons said \$115,103 was expended to offset construction for two small/emerging businesses in the City of Portland's downtown core. Gibbons said the ending balance going into next year is just over \$4 million.

MOTION: Dicile moved to accept Comcast's 2015 I-Net End Fund report. Harden seconded.

DISCUSSION: none.

VOTE: 6-0 passed

***R4. MHCRC participation in FCC notice of proposed rulemaking (NPRM) regarding Set Top Boxes(STB) and notice of inquiry (NOI) regarding Diverse and Independent Programming**
Omelchuck said staff recommends the Commission join a coalition to file comments in two proceedings initiated by the FCC. Omelchuck said the FY15-16 budget includes a \$20,000 line item for advocacy to support this work. Omelchuck said the Set Top Box (STB)proceeding allows consumers to choose how they which to access the video programming or streamed service. Omelchuck said a focus of the MHCRC's involvement in the join comments would be to ensure that PEG is included in any STB option. Omelchuck said comment are due April 22 and reply comments May 23. Omelchuck said the Notice of Inquiry for diverse and independent programming seeks to reduce barriers faced by independent programmers in reaching viewers.

MOTION: Dicile move to approve participation in the FCC's notice of proposed rulemaking regarding set top boxes and notice of inquiry regarding diverse and independent programming at a cost not to exceed \$10,000. Goheen seconded.

DISCUSSION: None

VOTE: 5-1 passed (Thomas voted nay)

Studenmund invited Marc Farrar, Comcast to comment. Farrar said the Jurisdictions should be aware that the STB proceeding could result in reduced franchise fees.

Dicile said participation in the NOI provides an opportunity to learn other perspectives and gives the MHCRC an opportunity to express its unique voice.

- Staff Activity Reports and Updates
 - CenturyLink Cure Plan: Gibbons said staff continues to work through and clarify CenturyLink's curative plan for failure to meet 3rd quarter service installation and appointment window consumer protection standards. Gibbons said staff ensured that there are check points throughout the cure plan that allow staff to check in on progress toward a cure. Gibbons said CenturyLink's cure plan anticipates a cure by June 30.
 - FY16-17 Budget process/information: Omelchuck said staff is preparing budget documents in preparation for a Finance Committee meeting in late April.
 - TechSmart Initiative: Omelchuck said that because Centennial's curriculum director is retiring and the superintendent is leaving, staff has decided to delay further TechSmart project plan discussions with district staff. Omelchuck said the research on successful technology project implementation shows that strong leadership is essential to success. Omelchuck said staff anticipates working with Centennial's new curriculum director this summer. Omelchuck said staff discussed the issue with Commissioners Goheen and Branam before making the decision to delay.
 - Rockwood Innovation Station grand opening – April 2: Gibbons reminded Commissioners about the Rockwood Library grand opening of its maker space.
 - Digital Equity Action Plan (DEAP): Omelchuck said the City of Portland and Multnomah County collaborated on a process to bring together community members and organizations to develop digital equity goals and actions. Omelchuck said the Portland City Council and Multnomah County's Board of Directors are considering resolutions to adopt the plan. Omelchuck said the MHCRC is listed as a partner in a couple areas of the plan related to working with public agencies on future network planning around the I-Net.
 - MHCRC terms: Omelchuck said staff is working with Jurisdiction staff to adjust MHCRC member terms so that the terms run July 1 to June 30. Omelchuck said term expiration at the end of May does not align well with the MHCRC's regular meeting schedule that goes through June.
 - Other: Gibbons referred Commissioners to the cable company rate and service changes included in the meeting packet.
- Committee Reports
 - Finance Committee: none.
 - Grant Committee: none.

- PCM Board Appointee: Studenmund welcomed Justen Harn, PCM's new Executive Director.
- MetroEast Board Appointee: Thomas reported that MetroEast is moving forward with its executive director search.

- New Business; Commissioner Open Comment

Studenmund said the Formal Hearing on the potential Frontier noncompliance related to service requirements is rescheduled for the June 20 MHCRC meeting..

Omelchuck said staff will be contacting Commissioners to schedule an April MHCRC meeting. Omelchuck said the sole purpose of the April meeting will be to consider the Gresham-Barlow School District TechSmart grant agreement and the Portland Public School TVS Community Technology Grant agreement.

Dicile asked Commissioner to reflect on the process/ communication/ discussion that took place related to Agenda Item R4. Dicile asked if Commissioners would have liked more time between the motion and the vote to contemplate and discuss.

Thomas said the process worked well for him.

Harden said he relays on staff to bring forward recommendations on what the advocacy budget should be spent on.

Walters said Mary Beth Henry, who handed intended to miss tonight's meeting, is the MHCRC's lead advocacy staff person. Walters said Henry likens the set top box debate to the 'Ma Bell' telephones. Walters said that telephone customer choice was eventually supported and technology advances ensued. Walters said that while the Jurisdictions might see revenues decline as a result of consumer STB choice, the trade-off might be significant advances in technology. Walters said the FCC has put these issues on a 'rocket docket', meaning the opportunity to get involved is now or never.

Studenmund reminder Commissioners that the May meeting is the 4th Monday.

- Franchisee Activity Report
 - Frontier: none.
 - Comcast: none.
 - CenturyLink: none.
- PEG Provider Activity Report
 - MetroEast Community Media: Monica Weitzel said Rob Brading set his retirement for mid-May. Weitzel said the Board and Executive Search Committee completed the search process and offered the position to Martin ("Marty") Jones. Weitzel said Jones has experience work with Columbus Ohio public access station when he was 15 years old in addition to network film and corporate experience. Weitzel said Jone sits on OPB's Community Advisory Board. Weitzel report MetroEast developed partnerships with 50 non-profits in the past year. Weitzel said MetroEast recently hosted a 'PSA day', where eight non-profits worked with MetroEast staff to produce PSAs in both English and Spanish for free.

- Portland Community Media: Justen Harn said he's been executive director at PCM for just seven weeks. Harn gave an overview of his professional background which include over a decade of experience working with non-profits work. Harn said he is excited to explore what's possible in the realm of community media. Harn said he is conducting assessments and engaging in strategic planning with staff and the Board. Harn said one of his goals is to make sure that every dollar PCM invests results in \$5 in public benefit. Harn said PCM's FY16-17 budget is under development. Harn said PCM has strong partnerships with NW Film Center, Caldera, its community producers, the University of Oregon school of journalism, etc.
- Public Comment: none.
- Adjourn: 8:53 pm

Respectfully submitted,

Rebecca Gibbons
Program Coordinator