January 20, 2015

TO: Mt. Hood Cable Regulatory Commission (MHCRC)
    Interested Parties

FROM: Mary Beth Henry, MHCRC Director
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SUBJ: MHCRC CenturyLink Renewal Public Hearing, January 26th

After lengthy negotiations, it is our pleasure to transmit formal notice for the upcoming January 26, 2015, Public Hearing on the proposed CenturyLink cable franchise renewal for an 11 year term (August 2015 - December 2026). The duration of the franchise term will be contingent on reaching certain penetration thresholds. CenturyLink’s current cable franchise expires at the end of 2015. Though CenturyLink has a current cable franchise agreement it has not yet launched cable TV in Portland. Staff is hopeful that CenturyLink will launch cable TV service in 2015.

The attached Public Hearing Notice, including a summary of proposed franchise public benefits in three key areas, is self-explanatory and summarizes elements of the renewal agreement reached by MHCRC Staff and CenturyLink negotiators.

The Public Hearing provides an opportunity for stakeholders, the access community and others to provide input on the key public benefits that most impact them. The public review process begins with a public hearing, followed by a vote of the MHCRC. The MHCRC is in a recommending role in the case of franchise renewal, and the Portland City Council’s consideration and final approval will commence 20 days after the franchise is published per Portland’s City Charter.

We are including with this cover memo a summary chart of the key components of the agreement.

CURRENT LEVELS OF FRANCHISE BENEFITS CONTINUE
MHCRC members and interested parties will observe that the fundamental public benefit framework of the current CenturyLink franchise has been retained and is commensurate with the Comcast franchise:
• Cable franchise fees at anticipated levels are secured;
• 3% PEG/I-Net Capital fund retained (including funds for community media providers, the MHCRC’s community grants, and the I-Net); and
• Access by all cable subscribers to all PEG channels is guaranteed, and the current complement of PEG Access channels and interconnects are retained.

PROGRAM ENHANCEMENTS
In addition to this, tangible improvements and enhancements have been secured in a number of key areas of the renewed franchise, for example,
• All PEG channels will be High Definition;
• PEG program listings will be included in all subscriber guides, including web-based and set-top box program guides;
• The availability and accessibility of PEG Video-on-Demand programming is improved and contractually secured.

MHCRC staff believes the resultant renewed cable franchise represents balanced interests of Century Link and community public benefits, and ensures the a high level of benefits for a reasonable term.

Please let us know if you have any questions!

Attachment: CTL Proposal Comparison Chart