

**COVER SHEET - AGENDA ITEM #R7**

For Commission Meeting: April 23, 2018

“Comcast’s Annual I-Net End-Fund Report.”

**Recommendation**

Staff recommends the Commission accept Comcast’s 2017 I-Net End-Fund Report.

**Background**

Under a Franchise Side Letter Agreement, Comcast retained the funds remaining in the I-Net Fund at the conclusion of the prior cable franchise. Under the renewed franchise, the MHCRC collects and administers all PEG/I-Net funds received going forward. The I-Net Fund retained by Comcast is now referred to as the I-Net *End-Fund*; any expenditures from the End-Fund continue to be subject to ongoing oversight and approval by the Commission.

**Overview**

Staff reviewed and verified the numbers in Comcast’s 2017 I-Net End-Fund Report. Below is a brief explanation of the line items in the report.

Under the report section titled “I-Net Fund Beginning Balance”:

- The carry-over fund balance from 2016 was \$4,108,543.
- Capital Fund Regular Expenditures: There were no expenditures in 2017.
- Ending Balance is \$4,108,543.

Under a Franchise Side Letter Agreement, I-Net End-Funds may be used to offset construction costs of line extensions that exceed the Standard Installation formula. As a result of this type of funding, small/emerging businesses in areas not currently accessible, such as the City of Portland’s downtown core, can have access to services that would otherwise be cost-prohibitive to serve. The decision to construct a site is at Comcast’s discretion, however staff continues to provide oversight and approval of expenditures, much like with I-Net stakeholder site construction expenditures.

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