

MEETING NOTIFICATION

January 27, 2020

6:30 p.m.

MetroEast

829 NE 8th St

Gresham OR 97030

AGENDA

- Roll Call
(Commission Participation: One or more members of the Commission may attend and participate by electronic means. The public will be afforded an opportunity to listen to the participation at the meeting site.)
- Agenda Review
- Disclosures
- Public Comment (non-agenda items)

CONSENT AGENDA – NO DISCUSSION

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

*C1. December 16, 2020 Meeting Minutes

REGULAR AGENDA

*R1. Community Technology Grant Cycle - Preliminary Funding Decision 40 min

*R2. MHCRC Planning Retreat Goals 10 min

R3. Media Centers Annual Activity Reports 20 min

- Staff Activity Reports and Updates
 - Public Policy/Legislative/FCC
 - FY19-20 Budget Process
 - Community Needs Ascertainment
 - Annual Complaint Report
 - Other
- Committee Reports
 - Finance Committee
 - TechSmart Grant Committee
 - Open Signal Board Appointee
 - MetroEast Board Appointee

- New Business; Commissioner Open Comment Meeting Schedule:
 - March 16 – Open Signal
 - April – recess*
 - May 18 – MetroEast
 - June 15 – Open Signal

- Franchisee Activity Report
 - Frontier
 - Comcast
 - CenturyLink

- PEG Provider Activity Report
 - Open Signal
 - MetroEast Community Media

- Public Comment

- Adjourn

*Denotes possible action item

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

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MT. HOOD CABLE REGULATORY COMMISSION
Open Signal 2766 NE Martin Luther King Jr Blvd. Portland OR 97212
December 16, 2019 Meeting Minutes -- DRAFT

SUMMARY MINUTES

Call to Order: 6:30 pm

- Roll Call

Commissioners present: Leif Hansen, Carol Studenmund, Scott Harden, Norm Thomas, Jeff Dennerline.

Commissioners absent: Jacquenette McIntire.

Staff: Elisabeth Perez, Interim Director; Julie Omelchuck, Program Manager; Cinthia Diaz Calvo, Administrative Specialist.

- Agenda Review: None.
- Disclosures: Studenmund visited East Gresham Elementary School to see the technology MHCRC provided through the TechSmart Initiative. The kids were excited to show what they were creating, and her heart was still filled with pride from that experience.
- Public Comment: none.
- CONSENT AGENDA

C1. September 23, 2019 Meeting Minutes

C2. October 21, 2019 Meeting Minutes

MHCRC staff handed out a corrected copy of the October 21, 2019, meeting minutes. In addition, Thomas noted that listed under public comment was "Harden and Thomas noted Comcast's presentations at the Wood Village and Troutdale city councils about its Internet Essentials program.", when it should have been under disclosures.

MOTION: Thomas moved to approve the September 23, 2019, meeting minutes and the October 21, 2019, meeting minutes with the corrects as noted. Studenmund seconded.

VOTE: 5-0

- REGULAR AGENDA

R1. MHCRC FY 2018-19 Fund Audit

Perez presented the MHCRC FY 2018-19 Fund Audit that was completed by Moss Adams. At its December 6th meeting, the Finance Committee approved the fund financial statements for FY 2018-19. She introduced Keith Simovic, Senior Manager, Moss Adams, who will present the process and results of the audit.

Simovic reviewed the audit contained in the meeting packet and noted several deliverables of the audit process, including the Financial Section and the Report of Independent Auditors. The audit test of internal controls, review of source documents, and other procedures demonstrated the financial statements were presented fairly in all material respects and no material weaknesses or deficiencies were reported.

Simovic noted the component unit analysis for Open Signal and said, as a result, Open Signal is no longer included in the MHCRC Fund Audit.

Simovic stated there were no adjustments this year to be made due to the audit. Adjustments made in FY18-19 due to the FY17-18 audit process were due to a couple accrued invoices and a difference in an amount reported by Open Signal and included in the MHCRC fund accounting.

In response to a question from Studenmund about the change to Open Signal's component unit designation, Simovic explained the changes were due to Open Signal entering into a contract with the City of Portland, which changed the operating cost dependency from the MHCRC to the City. This change was effective as of July 2018.

MOTION: Harden moved to acknowledge receipt of the MHCRC FY 2018-19 Fund Audit prepared by Moss Adams and directed MHCRC staff to submit the Audit to the Secretary of State by December 31, 2019. Thomas seconded.

VOTE: 5-0

R2. MHCRC Retreat Facilitator Contract – P. Manley Consulting.

Omelchuck said staff recommends that the Commission approve the retreat facilitator contract with Paula Manley Consulting for a not-to-exceed amount of \$5,000.

MOTION: Thomas moved to approve the retreat facilitator contract with Paula Manley Consulting for a not-to-exceed amount of \$5,000. Harden seconded.

VOTE: 5-0

- Staff Activity Reports and Updates
 - Public Policy/Legislative/FCC – Perez highlighted the staff Media Policy Update contained in the meeting packet. Perez was appointed to the League of Oregon Cities Telecommunication, Broadband and Cable Policy Committee and Mayor Ted Wheeler was nominated for membership on the FCC Intergovernmental Advisory Committee. She also noted the activities on the FCC cable order on in-kind and mixed use and a possible rulemaking on notice requirements from cable companies to subscribers.

- FY19-20 Budget Process - Perez said the budget season is starting for all jurisdictions. She hopes to receive the MHCRC allocation amount from the City of Portland sometime in January. She will keep Commissioners updated as information becomes available.
 - Community Technology Grant 2020 Round - Omelchuck said they received 16 pre-applications. Two do not use the cable system and are not eligible to proceed. Commissioners will be receiving the pre-application materials for review in early January.
 - Community Needs Ascertainment - Omelchuck said this is a high priority workload for Bea Coulter, MHCRC staff, and her in next 2-3 months. The scientific phone survey has wrapped up. The online qualitative survey will be available early January through February 28, 2020. Esper House, MHCRC local consultant, will do outreach with hard to reach population in January and February, which focuses on people of color, people with disabilities, and Seniors. In January and February, CBG, the MHCRC national consultant will be conducting small group meetings and interviews for sectors (business, non-profits, education, etc.) and for MHCRC stakeholders (I-Net users, grantees, community media centers, etc.).
Omelchuck will be looking to Commission members to assist with outreach to their networks for survey participation and to their jurisdictions to encourage participation. She said she's also coordinating with Multnomah County on work related to engagement on the municipal broadband feasibility study.
 - MHCRC Planning Retreat - Omelchuck said the retreat will be February 22, 2020, at the McMenamins Kennedy School. Commissioners and staff will be working with P. Manley on retreat agenda topics.
 - Comcast Rate Increase – Jan. 1, 2020 – Omelchuck noted the rate increase notice contained in the meeting packet. She said the broadcast fee is significantly increasing and the regional sports fee continues to increase. This was an issue of interest to the Commission a couple years ago as Comcast charges the fees outside of their video package rates. At that time, staff discussed the practice with the Oregon Attorney General staff but there wasn't much interest due to lack of staff capacity to pursue the topic.
- Committee Reports
 - Finance Committee – Thomas said the committee will start back up again in January.
 - TechSmart Grant Committee – No update.
 - Open Signal Board Appointee – Studenmund attended the board retreat and worked on the vision and goals for the organization. Studenmund said she is learning a lot about virtual reality and how it can be used in empathy training in which the person can walk in another person's shoes.
 - MetroEast Board Appointee – Dennerline mentioned MetroEast chose not to pursue a lease of the Rockwood property but the digital literacy trainings will continue.
 - New Business; Commissioner Open Comment
Hansen noted the upcoming MHCRC meeting schedule, including the January meeting is on the 4th Monday due to the holiday and the MHCRC retreat is February 22.

- Franchisee Activity Report
 - Frontier: Jessica Epley, Government & External Affairs Manager at Frontier Communications, said the transfer of ownership is on target to close March 31, 2020. There will be new procedures for automatic electronic payments; customers will receive notice 60 days prior to the change.
 - Comcast: Tim Goodman, Senior Director of Government Regulatory Affairs at Comcast, said that the fees are tied to the sports and broadcast costs, programming is the company's largest expense, and Comcast needs to cover these rising costs. Goodman mentioned that promotional packages won't see an increase. Hansen asked, if it was the programming content that is going up, the MHCRC's expectation is that those costs would be passed on through the package service rates; so, the service would go up and not necessarily the associated fees. Goodman acknowledged Hansen's point and he explained that the fees are due to a particular area. Broadband internet prices are going down and they are not tied to content. Hansen said he understands customers' irritation when they are contracted for a service at a fixed cost only to find this fee loophole that keeps creeping up. Goodman said he understands that.

In the areas that decrease, Harden asked if the internet rate decrease would be passed through to subscribers with contracts as well or will the decrease be only for the new customers. Goodman said he will get back to Commissioners on that. Harden added that Comcast noted the cost of programming being the driver behind the fee increases, but the equipment rental fees are going up as well. Goodman said equipment is more complex to design and create so costs are increasing for those also.

Hansen asked if the reduction of the internet cost was just competitive pricing. Goodman said he had no specifics, but he guesses it is due to competition.

Goodman said Comcast is still processing the FCC In-Kind Order but said the company will have discussions with staff prior to making any changes to franchise fees. He expects to reach out to staff in mid-January.

Goodman said Comcast had the largest giving campaign for United Way in the region and is opening a store soon on SE 82 Avenue in Portland.

- CenturyLink: Samantha Ridderbusch, State and Local Government Affairs Director said CenturyLink participated in the United Way employee giving campaign. CenturyLink matched 50% of all employee donations. She also noted the Teachers in Tech grant opportunity and will send it to staff for outreach to the schools.
- PEG Provider Activity Report
 - Open Signal: Justen Harn, Executive Director at Open Signal, said Open Signal surpassed 1,000 members in January; received a \$100,000 grant from 99 Girlfriends; and a \$35,000 from Oregon Community Foundation to explore earned revenue potential. Harn said

Open Signal is renovating space and focusing on staff supports so the facility will be closed in January. Harn thanked Studenmund for attending the retreat and said strategic planning will continue through January.

Harn said they are opening an Immersive Laboratory, which will support classes and explore potential new projects.

Harn showed two videos: 3D modeling and how to build this world; The Dome.

- MetroEast: Monica Weitzel, Director of Community Relations at MetroEast, noted 19 years of Holiday Showcase, including 11 choirs and orchestras from area schools; the Leadership Academy partnership with the Gresham area Chamber of Commerce; and digital inclusion training with the mobile lab. She said MetroEast is beginning strategic planning in January.
- Public Comment: none.
- Adjourn: 7:57 pm

Respectfully submitted by:
Cinthia Diaz Calvo, Administrative Specialist II

COVER SHEET – AGENDA ITEM #R1

For Commission Meeting: January 27, 2020

“Community Technology Grant Cycle - Preliminary Funding Decision”

The Commission has about \$800,000 to grant in the 2020 competitive grant cycle under the Community Technology Grants program.

Under separate cover, Commissioners received information for its decision-making process, including the grant Pre-Applications and evaluation instructions.

Background

The Commission’s decision-making process is as follows:

1. 16 Pre-Applications were received by the December deadline; 14 Pre-Applications met the grant eligibility criteria and were forwarded on to the Commission for review.
2. Each Commissioner reads, evaluates and scores each Pre-Application in preparation for the preliminary funding decision making meeting.
3. At the January 27 meeting, the MHCRC will decide which Pre-Applications it would like to invite to apply for funding within the approximate \$800,000 funding guideline.
4. Selected applicants are invited to fill out a full online grant application.
5. MHCRC staff drafts grant contracts for applicants who have successfully completed an online grant application to staff’s satisfaction. Not all applicants who are selected in the Pre-Application process will necessarily receive a grant award.
6. The MHCRC approves grant contracts.

Prepared By: Rebecca Gibbons
January 22, 2020

COVER SHEET -- AGENDA ITEM #R2

For Commission Meeting: January 27, 2020

“MHCRC Planning Retreat Goals”

Staff Recommendation

Staff recommends that the Commission adopt the following goals for its upcoming planning retreat:

- Refresh on the Commission’s current and upcoming projects, including a primer on cable franchise renewal.
- Review cable franchise fee and PEG/I-Net fee revenue trends.
- Explore possible futures for the Commission and identify proactive steps.
- Provide an opportunity for Commissioners and staff to get to know each other and strengthen working relationships.
- Revisit the Commission’s operating agreements and meeting protocols.

Background

Paula Manley, the contracted retreat facilitator, interviewed Commissioners and worked with Chair Hansen and MHCRC staff to develop the proposed retreat goals. This year’s retreat will be held February 22, 2020, 8:30 am – 4:30pm.

Prepared by: Julie S. Omelchuck
January 21, 2020

INFORMATION ONLY

Media Policy Update

January 21, 2020

Prepared by Bea Coulter

Protecting Community Television Act (H.R. 5659 & S. 3218)

On January 21, 2020 Senator Markey, (D-MA) introduced legislation that seeks to clarify the definition of “franchise fees” in the Cable Act, returning to the definition understood by local franchise authorities and cable television providers since the Cable Act’s inception in 1984. This clarification would require the FCC to withdraw its recent order on cable in-kind and would protect against the potential loss of community media channels. Representative Eshoo (D-CA) released companion legislation in the House.

Given the lengthy time-frame of current litigation against the FCC Order, the Markey bill is the preferred option for resolving the PEG protection issues. Litigation is still necessary to address the mixed-use part of the FCC Order.

The Mt. Hood Cable Regulatory Commission (MHCRC) submitted letters informing our Senators and Representative of the developments around this issue and encouraging them to support the legislation. Oregon Senators Merkley and Wyden, and Representative Blumenauer have co-signed the bills.

A national letter writing campaign encouraging Senators and Representatives to sign on in support of the legislation is ongoing through the National Assoc. of Telecommunications Officers and Advisers (NATOA) and the Alliance for Community Media (ACM).

FCC Cable Order on In-Kind and Mixed-Use

The FCC Order allows cable operators to reduce franchise fees by the fair market value of non-monetary benefits identified in the cable franchise. The Order introduces ambiguity in the franchise process that may result in litigation, and it allows a cable operator to use the public rights-of-way (ROW) for non-cable related lines of business without paying rent for access to the ROW.

The MHCRC is participating in a legal coalition to fight implementation of the order. Following is an update on activity since the last policy update:

- In December, NATOA and the National League of Cities (NLC) submitted comments on behalf of LFAs across the country in response to the FCCs comment window on the NCTA’s petition for clarification of the denial of stay.

- To date, the FCC has not addressed the NCTA's petition for clarification of the denial of stay.
- Following the outcome of the petition to stay with the FCC, our legal coalition submitted a motion to stay the order during litigation to the 9th Circuit court. We are awaiting a ruling from the Court.
- Oral argument in the Appeal of the FCC Order is scheduled for February 10. The case is estimated to reach a final decision in late 2020/early 2021.

Cable Service Change Notification

At its meeting on December 12, 2019 the FCC considered a Notice of Proposed Rulemaking (NPRM) that would seek comment on changing current requirements for notices that cable companies must provide to customers and local franchise authorities. The discussion was outlined in detail in the December policy update.

The NPRM was posted in the Federal Register on January 6. February 6 is the deadline for initial comments and February 21 for reply comments. We are working with our national partners to determine if there will be a coalition statement. If there is no coalition statement, or if it's determined that individual statements will be more effective, we will prepare a statement from the MHCRC.

True Fees Act of 2019

On December 20, 2019 the True Fees Act was passed as part of the Satellite Television Extension and Localism Act (STELA) Reauthorization* within a fiscal year 2020 appropriations bill (H.R. 1865).

The True Fees Act requires cable television providers to include the total costs of service in their advertised price. This includes any related taxes, administrative fees, equipment rental fees, or other charges, except those that are required under federal, state or local law, and that is not uniform throughout the United States. The Act provides some additional customer protections including a 24-hour window following notice of a rate increase for customers to cancel their service contract without a penalty. The True Fees Act is expected to take effect within 6-12 months.

*STELA governs the retransmission of broadcast stations and encourages satellite TV companies to make more local content available to their customers. This Act is particularly important to those living in rural areas.

FCC Open Commission Meeting: January 30, 2020

The next FCC Commission Meeting will occur January 30, 2020. The preliminary agenda does not include any issues of great concern. The final agenda will be available approximately one week prior to the meeting. Open Commission Meetings stream live at the FCC.gov website.

2019 Year End Complaint Report

	2018		2019		2018		2019	
	Comcast		Frontier		CenturyLink			
TV	45%	68%	38%	50%	38%	100%		
Internet	29%	19%	31%	50%	31%	0%		
Phone	26%	13%	31%	0%	31%	0%		

	2018		2019		2018		2019	
	Comcast		Frontier		CenturyLink			
Billing	24	21	5	1	18	2		
Busy Phones	2	0	0	0	12	0		
Equipment Related	7	2	3	0	1	0		
Installation Problems	2	1	1	0	0	0		
Phones - Other*	3	1	0	0	1	0		
Phones on Hold	1	0	0	0	2	0		
Phones - Navigation	0	0	0	0	1	0		
Picture Quality/Outages	11	5	3	1	12	0		
Property Related	3	0	0	0	0	0		
Rates, Fr. Fee/PEG	24	10	5	0	17	0		
Repair Problems	8	5	0	0	12	0		
Other**	3	4	0	0	0	0		
Total	88	49	17	2	76	2		

*Includes: ringing with no answer, on hold - disconnected, on hold - no answer, unable to reach a customer service representative from options provided, no supervisor available, no return call after leaving a message, and customer service responsiveness or attitude.

** Includes: confusing/misrepresented advertising, identification requirements, technicians w/unclear work orders, lack of notice of work to be done, appointment no-shows after repeated phone calls, misc. service/account/subscriber agreement issues, customer service rep unqualified to answer questions.

2019 Report - Notes

- 1) Staff has identified gaps in the office database for documenting complaints for 2019 due to staff transitions. Therefore, we believe the 2019 data is not accurate and not indicative of a reduction in complaints, but is rather reflective of issues with:
 - a. documenting all complainant phone calls and emails, and
 - b. changes in the way staff was tracking customer complaint categories.

Year	Total
2019	53
2018	181
2017	134
2016	357
2015	323
2014	218
2013	331
2012	211
2011	213
2010	112
2009	335