

Waterford Cable Commission
AGENDA
6:30 pm, Tuesday, July 16, 2019
Town Hall, 3rd Floor Conference Room

1. Approval of agenda
2. Approval of minutes
3. Correspondence and bills
4. Signal quality
5. Subscriber complaints
6. Report from Media Network
7. Report from Cable Coordinator
8. Comments
9. Adjourn



Waterford Township Cable Commission

Minutes of the Tuesday, June 18, 2019, Meeting

Members Present: Steven Thomas, Howard Heitzeg, Kathy Hepler, Laura Petrusha, Al Pavlish, Gary Allison (Cable Coordinator)

Absent: Bob Piggott, Ken Fuerst

Guest: Josh Bowren

The meeting was called to order by Chairperson Laura Petrusha at 6:24 p.m.

Roll Call.

Agenda – The motion to approve the agenda for June 18, 2019 was made by Kathy Hepler and supported by Howard Heitzeg. Approved unanimously.

Minutes – The motion to approve the minutes from May 21, 2019 was made by Steve Thomas and supported by Kathy Hepler. Approved unanimously.

Correspondence and Bills – Comcast channel changes to premier package and digital starter tier.

Signal Quality – No reported problems.

Subscriber Complaints – One outstanding complaint reported.

Media Network Report – Report was submitted by Josh Bowren. Following discussion, report was accepted by the commission.

Cable Coordinator's Report – Gary Allison reviewed the Cable Coordinator Report. Following discussion, report was accepted by the commission.

Comments – Gary Allison informed the Cable Commission that meetings will no longer be held off campus and will always be held at town hall.

Adjournment – The motion to adjourn was made by Steve Thomas and supported by Kathy Hepler. The motion was unanimously approved, and the meeting adjourned at 7:06 p.m.

Respectfully submitted,

Gary Allison, Cable Coordinator

Media Network of Waterford

Organization Summary – July 2019

Our new playback system is up and running. Staff is currently training and programming the new system

Our Kids Video Camp will be held on July 16-19, 2019 for ages 10-16.

Purchased more batteries and chargers for volunteer cameras

SAY group will have a table at Senior Expo to recruit new volunteers

LIVE feed was tested on the new playback system and look great, better than before

2 new Powers of Rock and Roll radio shows were produced

Oakland County Sportsmen's Club is working on editing their content for broadcast

Solved issues with radio station program guide

Media Network provided green screen booth for Zeppelin run

Young Professionals Network Entrepreneur presentation about Media Network

Waterford Little League Seniors division baseball game shoot with Mobile Truck

Movies under the Moon light green screen booth done by Media Network

- Broadcast/Playback System
 - New Castus broadcast/playback system was installed. Cable is working on new programming schedule. Live broadcasts are being conducted. A VOD system is in the works.
- Audio System Use
 - Discussed mic usage with Gary Wall, as well as passed along further instructions to board members. The Clerk's office has also been communicating proper mic usage on behalf of Cable.
- Telecommunications & Small Cells
 - FCC Cable Order reducing franchise fees on Deck for FCC August 1 Meeting – In a new draft order, it Looks like we won on the PEG Channel Value “deduction” from Franchise Fees, as well as Transport costs for Now.
 - (This is a preliminary report based upon a quick read of the 67 page draft this evening)
 - 42. *PEG channel capacity*. While we find that the costs associated with the provision of PEG channel capacity are cable-related, in-kind costs that fall within the definition of “franchise fee,” we find that the record is insufficiently developed to determine whether such costs should be excluded from the franchise fee as a capital cost under the exemption in section 622(g)(2)(C).
 - 43. LFAs claim that the costs of providing PEG channel capacity do fall within section 622(g)(2)(C)'s exclusion for PEG-related capital costs. In support, they point out that the Act defines “[PEG] access facilities” as “(A) channel capacity designated for public, educational, or governmental use; and (B) facilities and equipment for the use of such channel capacity.”¹⁷³ Thus, they assert, because section 622(g)(2)(C) expressly applies to costs incurred by a cable operator for “[PEG] access facilities,” it necessarily applies to costs associated with PEG channel capacity.¹⁷⁴ But, as the cable operators state, the Act's inclusion of channel capacity in the definition of “[PEG] access facilities” does not settle the question of whether channel capacity costs fall under section 622(g)(2)(C). This is because section 622(g)(2)(C) excludes only a particular subset of PEG access facility costs—capital costs—from the definition of franchise fees subject to the five percent cap, and cable operators claim that PEG channel capacity is not a capital cost.¹⁷⁵ Moreover, even assuming that PEG channel capacity is not a capital cost and is therefore subject to the five percent cap, the record reveals serious difficulties regarding how to calculate the value of PEG channel capacity to account for this cost.¹⁷⁶

- 44. Given this, we find that the questions raised by channel capacity are complex, and that the record is not developed enough to allow us to answer them. We therefore defer this issue for further consideration.¹⁷⁷ In the meantime, we find that the status quo should be maintained, and that channel capacity costs should not be offset against the franchise fee cap. This approach will minimize disruption and provide predictability to both local franchise authorities and cable operators.
- Fn 176 NCTA proposes valuing channel capacity at market cost; anything less, NCTA argues, would be an additional subsidy beyond the cost of the service itself. See NCTA Comments at 51, 54 (“If in-kind exactions are valued only at incremental costs to the cable operator, the provider is still subsidizing them – a result that is contrary to Congress’s goals of limiting the overall amount a provider is required to give to the community and that works against the Commission’s goals of ensuring that providers can put funds to their highest and best use, including for broadband deployment.”). LFAs raise a host of problems with using the fair market value approach to value channel capacity. See, e.g., Mass Access Reply at 11 (“The ‘fair market value’ of PEG channels and PEG capacity, however, is zero dollars.”); Charles County Comments at 21 & n.74 (“Since PEG capacity has no commercial value, the only cost to the cable operator for providing such capacity is the capital cost of provisioning PEG channels.”); AWC *et al.* Comments at 14 (noting that assessing fair market value to PEG channel capacity would leave LFAs without objective and sufficient guidelines for valuation).
- 49. *PEG transport.* We find that the installation of facilities that LFAs use to deliver PEG services from locations where the programming is produced to the cable head end—PEG transport—do not count toward the five percent franchise fee cap.¹⁹¹ NCTA requests that we declare PEG transport costs to count toward the five percent cap but offers no statutory basis for its request.¹⁹² For the reasons explained above, we find that exempting such costs from the five percent cap would be more consistent with the Act. The expenditure for the installation of a system that carries PEG programming from a PEG studio to a cable operator’s head end facility is a capital expenditure because it is a long-term asset meant to deliver the programming.¹⁹³ The ongoing costs associated with the maintenance of that facility, however, is an operating cost that is necessary to run the business and produce output.¹⁹⁴ We also note that section 621(a)(4)(B) limits the LFA to “adequate” PEG support.¹⁹⁵ As such, LFA requests for multiple transport connections - including between government facilities versus between the main PEG facility and the cable head end - that may be considered more than

“adequate” are subject to judicial challenge under section 635 of the Act.¹⁹⁶

- A more detailed PROTEC report is available for cable commissioners upon request.
- Possible New Cable TV Franchise Coming
 - Spectrum, formerly known as Charter Communications, is currently exploring the possibility to build a cable TV franchise in Waterford Township. At this time, Spectrum services north and south of Waterford. Building a new franchise on top of existing franchises is normally deemed difficult and, therefore, no promises are being made at this time.