

North Suburban Communications Commission
CenturyLink Cable Franchise
Key Issues Summary

Reasonable Build-Out of the City

- Complete Equitable Build-Out. Goal is to Build-Out each entire member city over 5-year term, based on market success, with a significant investment targeted to areas below the median income in the member city. *See* Section 2, para. 7(a)(i).
- Initial Minimum Build-Out Commitment. 15% of each member city over 2 years. *See* Section 2, para 7(a)(ii).
 - CenturyLink must make its best effort to complete the initial deployment in a shorter period of time.
 - Equitable deployment to households throughout each member city.
 - Must include a significant number of households below the medium income of the City.
 - CenturyLink permitted to serve more households.
- Quarterly Meetings. Starting January 1, 2016, CenturyLink must meet with each member city and show to each member city's satisfaction (*See* Section 2, para. 7(a)(iii)):
 - Number of households capable of being served and actually served.
 - Compliance with anti-redlining requirements.
 - Maps and documentation "showing exactly where within the City the Grantee is currently providing cable service."
- Additional Build-Out Based on Market Success. Starting January 1, 2016, CenturyLink Build-Out Commitment will increase if its penetration rate is at least 27.5% in the areas that it is offering service. *See* Section 2, para. 7(a)(iv).
 - Example: If offering service to 60% of the member city and CenturyLink has penetration of 30% in that area, then the Build-Out commitment will increase 15% to 75% of the member city.
 - Additional Build-Out commitment continues until all households are served.
- Line Extension. No initial mandatory line extension, unless CenturyLink becomes the dominant cable provider. Then the member city decides CenturyLink's build-out schedule, including a density requirement that is the same or similar to Comcast's density requirement. *See* Section 2, para. 7(a)(v).

Economic Redlining or "Cherry Picking" Prohibited

- Cherry Picking is prohibited by the Federal Cable Act. *See* 47 U.S.C. § 541(a)(3).
- Franchise prohibits Cherry Picking. *See* Section 1.3 (Identical to Comcast Franchise).
- CenturyLink has additional \$500 per day penalty/liquidated damage for violating Section 2, para. 7 (Reasonable Build-Out of the Entire City). *See* Section 9, para. 2(c)(vi).

Level Playing Field

Franchise Fees

- CenturyLink required to pay a franchise fee of 5% of its Gross Revenues. *See* Section 8, para. 3 (Identical to Comcast Franchise commitment).

Public, Educational, and Governmental Access Requirements

- Number of Access Channels. CenturyLink will provide 16 Access Channels. *See* Section 6, para. 1(b) (comparable to number of Access Channels as Comcast).
- Format of Access Channels. CenturyLink will provide all 16 Access Channels in HD if the City sends them in HD format. *See* Section 6, para. 1(b) (Exceeds Comcast's commitment. Comcast will provide one Access Channel in HD).
- Electronic Programming Guide. CenturyLink will provide EPG capabilities to each member city. *See* Section 6, para. 1(b)(2) (Similar to Comcast, but Comcast does not provide EPG for Government Channel).
- Channel Placement. CenturyLink will make all Access Channels accessible at Channel 15 through the "North Suburban Mosaic." The Access Channels will be physically located at 8010-8025. *See* Section 6, para. 1(b)(1) (Comcast has no mosaic and is required to have all the HD Access Channels located near the broadcast channels).
- Public Service Announcements. CenturyLink will allow the NSCC to air PSAs on non-Access channels during periods of unsold/unused air time. *See* Section 6, para. (b)(4) (Comcast has no such commitment).
- Video On-Demand. CenturyLink will provide 25 hours of VOD per member city for a total of 225 VOD hours. *See* Section 6, para. 1(b)(7) (Exceeds Comcast's PEG commitment).
- PEG Support. CenturyLink will pay a PEG Fee in support of the Access Channels of \$4.15 per subscriber per month with provisions for CPI adjustments. *See* Section 6, para. 4 (Equal to the amount of PEG funding Comcast passes through to its subscribers).

Area Served

- The Franchise Area is the entire boundary of each member city. *See* Section 2, para. 7 (Identical to Comcast Franchise).

Complimentary Internet to Community Center

- CenturyLink will provide wi-fi enabled internet service to one location within each member city, preferably a community center. It will be commercial grade service at the highest speed capable at the location.

Twin Cities Metro-Wide PEG Interconnect

- CenturyLink will provide the ability for all cities in the Metro area to share live programming. For example, if Roseville High School is playing a game against Coon Rapids High School, the Commission will be able to take the live feed being produced in Coon Rapids and play it over the channel in Roseville.
- Opportunity for collaborative programming, benefiting local and regional subscribers.
- Not done anywhere in the country.

Complimentary Service

- All City Halls and School Districts that originate PEG programming (e.g. Council Meetings) will receive complimentary Prism TV service. Member cities are responsible for the inside wiring.
- CenturyLink internet service is not needed for complimentary Prism service.
- CenturyLink will also provide service to other government buildings if no other provider is providing complimentary service at the location.

Comparison to Comcast Franchise

- Substantially Similar. CenturyLink Franchise and Comcast Franchise are identical in most respects.
- Term. CenturyLink's Franchise term is 5 years. Comcast's term was 15 years, which has been extended.
- Customer Service. CenturyLink has committed to having a customer service office within the City. Comcast has not.
- Indemnification of the City. CenturyLink has an additional indemnification commitment that Comcast does not have.
- Access Channel Commitments. CenturyLink may provide up to 15 more channels in HD than Comcast. CenturyLink is providing 225 hours of VOD programming. Comcast is not. PEG support may be used for capital and operational support under the CenturyLink Franchise. Comcast also provides operational support in a separate agreement.
- Cable Service to Public Buildings. CenturyLink will provide service to up to 7 outlets all City Halls and up to 3 outlets at all other government buildings with service and equipment. Comcast's commitment is more limited.

- Penalties/Liquidated Damages. CenturyLink Franchise has a provision for additional damages for violating the Build-Out and Economic Redlining provisions of the Franchise that is not in the Comcast Franchise.
- Build-Out. CenturyLink Franchise has a reasonable build-out commitment based on market success. Comcast does not have a build-out provision, as it built-out each member city many years ago.
- Line Extension. The CenturyLink franchise does not have an immediate line extension requirement. Each member city will determine a line extension obligation similar to Comcast's line extension if CenturyLink obtains a 50% penetration level in each member city. Comcast does have a line extension requirement.
- Twin Cities Metro Interconnect. The CenturyLink Franchise requires CenturyLink to provide a metro-wide interconnect for the sharing of PEG programming. This is different than Comcast's commitments related to PEG and the Institutional Network. We believe that this will be the first metro-wide interconnect for PEG in the country.
- Complimentary Internet Service. CenturyLink has also agreed to provide complimentary internet service to one location within each member city, preferably a community center. CenturyLink will also provide complimentary wi-fi at the location. Comcast does not have such a commitment.