



TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, **including back up information**, 8 days prior to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

MEETING INFORMATION

Date Submitted: September 4, 2018

Date of Meeting: September 27, 2018

Submitted by: Media Services Coordinator Nicholas Lavallee

Department: Media

Time Required: 15 minutes

Speakers: Nicholas Lavallee

Background Info. Supplied: Yes: No:

CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:

Recognition/Resignation/
Retirement:

Public Hearing:

Old Business:

New Business:

Consent Agenda:

Nonpublic:

Other:

TITLE OF ITEM

Public Hearing - Traditional Cable Television Franchise Renewal Discussion

DESCRIPTION OF ITEM

The Town Council will hold a public hearing to gauge customer satisfaction with Comcast's traditional cable television service. This hearing is part of the ongoing Cable Television Franchise Renewal negotiations relative only to traditional cable television and does not include internet or phone services.

REFERENCE (IF KNOWN)

RSA:

Warrant Article:

Charter Article:

Town Meeting:

Other:

N/A

EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:

Grant Requirements:

Easel:

Joint Meeting:

Special Seating:

Other:

Laptop:

None:

CONTACT INFORMATION

Name:

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APPROVAL



LEGAL NOTICE
Town of Merrimack
Public Hearing



Residents of Merrimack are hereby advised that the Town Council will hold a public hearing to gauge customer satisfaction with Comcast's traditional cable television service. This hearing is part of the ongoing Cable Television Franchise Renewal negotiations relative only to traditional cable television and does not include internet or phone services.

Copies of the current Cable Television Franchise Agreement and other back up material are available at the Town Manager's office and also on the Town's website. All interested parties are invited to attend. The public hearing will be held on **Thursday, September 27, 2018, at 7:00 PM** in the Matthew Thornton Room located at 8 Baboosic Lake Road in Merrimack.

For Town of Merrimack Use:

Posted: September 19, 2018

To Be Published: September 19, 2018 (*Union Leader*)

To Be Published: September 21, 2018 (*Merrimack Journal*)

CABLE TV FRANCHISE RENEWAL

TRADITIONAL CABLE TELEVISION AND THE FUTURE

WHAT IS A CABLE FRANCHISE AGREEMENT?

- The current agreement is non-exclusive. This document authorizes and permits the Franchisee (Comcast) to construct, upgrade, install, operate and maintain a Cable Television System within the Town of Merrimack.
- The ten year agreement was made on January 8, 2009. End of term is January 2019.
- Please keep in mind that Comcast owns all traditional cable television infrastructure in Merrimack.

HOW ARE TRADITIONAL CABLE TELEVISION RATES DETERMINED?

- The Franchisee (Comcast) has control over the amount to bill per the Cable Act of 1984.

CONSUMERS HAVE MORE OPTIONS IN 2018

...and consumers
are changing over
cable television
have changed.

INTERNET
INCLUDING
CELLULAR



HIGHLIGHTS OF OUR CURRENT FRANCHISE AGREEMENT

- Traditional cable television services are available to all residents within the Town of Merrimack.
- Any Merrimack resident may request to have traditional cable television services brought to their home.
- Free basic traditional cable television services for municipal buildings including police, fire, and schools.
- Continues...

HIGHLIGHTS OF OUR CURRENT FRANCHISE AGREEMENT (CONTINUED)

- A customer service center in a neighboring town
- Complaints
- Resolution procedures
- Comcast receives service request, 24 hour response time, “where possible” a resolution shall occur within 48 hours. If the Franchising Authority determines it to be in the public interest, they may investigate multiple complaints. If there’s a pattern of multiple unresolved complaints, the Franchising Authority and the Franchisee may discuss appropriate amendments to the Franchise Agreement.
- Relative to traditional cable television services

ADDITIONAL ITEMS TO CONSIDER IN THE RENEWAL FRANCHISE

- Service Availability (I.E. Currently, pole to building up to 150' for service before there's a cost to the potential subscriber. Negotiate an increase such as 250')
- Include language to provide service to current and **future** municipal and school buildings.
- A fourth public, education, and government channel on the high definition tier.
- Senior Citizen's Discount (I.E. Bedford received \$2 off Digital Starter)
- Franchise Fees

FRANCHISE FEE

- Currently the Town receives 3.75% Gross annual revenues from traditional cable television subscribers. The Town Council has used these funds to cover the Media Division (Merrimack Public, Education, and Government Television).
- Per the Cable Act of 1984 up to 5% is allowed.

POTENTIAL LOSS IN REVENUE FROM FRANCHISE FEES

- As more households are cutting traditional cable TV services, there is an increase in internet subscribers, the town does not receive revenue from internet services.

DOES OUR FRANCHISE AGREEMENT HAVE TO BE 10 YEARS?

- No
- However, my recommendation would be to have a 10 year agreement.

TIME LINE

- Held a discussion at August 16, 2018 Town Council Meeting.
- Presentation at this Town Council Meeting September 13, 2018.
- Post an open opportunity beginning on September 14 though October 10 for residents to submit questions, concerns, and suggestions to the Town Council via merrimacktv@merrimacknh.gov
- Schedule a public hearing for September 27, 2018
- Town Council to finalize their Franchise Agreement suggestions during October.
- Legal counsel review during November.
- Present Comcast with finalized Franchise Agreement from the Town Council in December.
- Finalize agreement between the Town of Merrimack and Comcast January 2019.

NEXT STEP

- Open comment period online and schedule a public hearing to allow residents to provide input regarding the renewal of the franchise agreement.
- Bryan Christiansen, Comcast Senior Manager of Government and Regulatory Affairs, and other representatives from the cable company should be invited to attend as well.
- Public input is important, welcomed, and encouraged.
- This presentation may serve as a guide as to what can and can't be negotiated in a Franchise Agreement.

QUESTIONS?

HISTORY OF CABLE TELEVISION IN MERRIMACK

- Herron / Adelphia (1999 - 2009)
- Comcast acquisition finalized in 2006
- Comcast Franchise Agreement (2008 - 2018)

WHY CAN'T WE PUT THE CABLE TELEVISION FRANCHISE UP FOR BID?

- This is a non-exclusive agreement.
- A company can only be denied franchise renewal for one of the following four reasons per the Cable Act:
 1. Operator's failure to comply with existing franchise
 2. Quality of operator's service
 3. Operator's legal, technical, and financial qualifications
 4. Reasonableness of operator's proposal to meet the franchising authority's assessment of needs and interests.

“CORD CUTTERS”

- Cancel traditional cable television, keep the internet.
- The Franchise Agreement only covers traditional cable television services.
- It does not include broadband internet services.

WHAT WE CAN NEGOTIATE

- Free traditional cable television for municipal and school buildings
- Service Availability (I.E. Currently, pole to building up to 150' for service before there's a cost to the potential subscriber. Negotiate an increase to 250')
- Capital Funding (Infrastructure)
- Franchise Fees

FRANCHISE FEES FUND MORE THAN JUST “PUBLIC ACCESS TELEVISION”

- Government and educational meetings, emergency services information, school district events, public service information, and public meetings relative to well being of the community.
- Residents, including elected and appointed officials, expect Merrimack TV content to be made available online and our channels streaming via the internet.

MORE OPTIONS AND COMPETITION TO TRADITIONAL CABLE TELEVISION SERVICES

- As viewing content on mobile, and streaming based devices, becomes more popular we could potentially see a decrease in revenues from traditional cable television services over the next ten years.