

CATV Special Committee Meeting Minutes (DRAFT)

Date: April 30, 2018
Time: 6:01PM – 6:45PM
Location: Howard Office Building
Sonny West Conference Center
700 Second Avenue South
Nashville, TN 37210

Board Members Present: Colleen Curtis (Vice Chair), Tim Garrett, Ross Pepper, Anthony Barton, Mark Rowan, Susan Wright

Others Present: Dawn Clark (Metro ITS Assistant Director), Chris Singleton (Metro ITS), Theresa Costonis (Metro Legal), Kim Sasser-Hayden (Comcast), Trish Crist (NECAT CEO)

Board Members Absent: Robbie Melton

Welcome:

Vice Chair Colleen Curtis called the meeting to order.

Review and approval of minutes:

Mr. Tim Garrett requested a correction of a spelling error; the word council should have be replaced by the word counsel.

Mr. Garrett made a motion to approve the minutes from the 05/09/2017 meeting as corrected. Mr. Ross Pepper seconded the motion. The motion to approve the minutes passed unanimously.

Election of Officers: Ms. Curtis opened the floor for the annual election of committee Chairman and Vice Chairman. Mr. Garrett nominated Ms. Colleen Curtis for the position of Chairman. With no other nominations, the committee voted unanimously in favor.

Ms. Curtis nominated Mr. Garrett to serve as Vice Chairman. No other nominations were made. Mr. Garrett was elected unanimously.

Open Business:

Comcast Presentation:

Mrs. Sasser-Hayden presented Comcast's Annual Presentation included a brief overview of Comcast in Nashville. Her report included employment, network investment for improved internet services, product innovations, such as the launch of the xFi program, which allows customers to control their personal internet settings as well as the Xfinity Mobile program. Mrs. Sasser-Hayden also explained focusing on improving customer service by making customer contact through apps and online and simplified billing, community investment projects, and increased Digital Inclusion through opening Wi-Fi community computer labs and Wi-Fi

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expansion within Metro. In addition to the annual reports of service calls, outages and complaints.

Mr. Tim Garrett asked for more information pertaining to how Comcast publicizes their high-speed internet program for low-income families. Mrs. Sasser-Hayden stated that Comcast is in 8000 households, but she would have to ask exactly what the penetration is in that specific market. However, she went on to speculate that they reach the low-income market by working with the Metro school system and Metro United way through presentations to teachers and guidance counselors, as well as by sending pamphlets home with students in their back to school bags. She then went on to explain that Comcast works with MDHA to further publicize their company by going to career fairs, and are always looking for more ways to publicize. Mrs. Sasser-Hayden explained the focus on simplifying the process to be eligible for their high-speed internet program for low-income families, and stated that every family of a Metro school student is eligible for the program even without real proof. She stated that access to the program now only involves the parent going onto the Comcast website and selecting which school their child attends; however, they also offer an over the phone application for anyone having difficulties with the online application. She also gave details about past events where Comcast worked with Faith Leaders United and possibly Grace Community Church, she could not remember, to promote their program. Mrs. Sasser-Hayden specified that all the information could be found on the Internet Essentials website and that she would provide any additional information to Mr. Chris Singleton if anyone were interested in the program.

Ms. Wright asked for clarification regarding the foundational level of Comcast's infrastructure, specifically regarding if additional technology is added to the preexisting infrastructure and platform if Comcast has altered it. Mrs. Sasser-Hayden confirmed that Comcast does add technology onto their preexisting infrastructure. She also explained that their platform is cloud based and built from previous assets Comcast has already developed. Which is why Comcast has begun to replace their infrastructure through the Fiber Deep project, which puts Fiber closer to the home thus providing better service by limiting the amount of homes within each "node". She also explained how the Xfinity Mobile program is based off their Wi-Fi hotspot network, which in turn, allows the customer to save money through using less data.

Mr. Anthony Barton asked for clarification on if the franchised fees were based on the video subscribers only and not the entirety of the customers using their other services. Mrs. Sasser-Hayden confirmed and stated that it is 5% of the gross revenue video subscribers. Mr. Barton followed up by asking if there were any markets that Comcast has deals based on overall service. Mrs. Sasser-Hayden responded stating no due to Federal Law under the Federal Cable Act. Mr. Barton stated that he works for CMT and their five-year plan shows a drastic downward trajectory that will continue unless a new way to monetize what is currently being used is found. He also stated that the infrastructure is the same however, people are using Wi-Fi and phones over other products and that legislature is not up-to-date with that technology. Mrs. Sasser-Hayden agreed that it is true for every video franchise, and that she thinks CMT and Comcast are the only two franchises that Nashville is receiving currently from any telecommunications. Metro Legal representative, Ms. Theresa Costonis stated that in fact, those are the only two franchises Under Chapter 626; however, other companies have fiber optic agreements but Comcast is the only one that has the cable franchise agreement. She also went on to state that

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Comcast chose to be under the Competitive Cable and Video Service Act while other companies like AT&T and google chose to be under the Statewide Certificate of Franchise Authority. Mr. Barton asked if Metro only considers Comcast as a video franchise. Ms. Costonis responded stating that Comcast only has a franchise agreement with Metro and that with a statewide certificate they would not have to have an agreement with Metro at all. Mrs. Sasser-Hayden stated that Comcast could have gotten the statewide certificate but decide to negotiate separately so both Nashville and Comcast could receive different benefits than what would be offered by the State agreement. Mr. Barton asked if Comcast could be more than one type of customer and partner to Nashville Ms. Costonis explained that Comcast does do more than just video services but that that they must act under the Federal Cable Act. She then explained the broadband side the Federal government does not allow it; hence, there are more franchise fees associated with cable than with broadband. Which in turn, causes Comcast to pay more than only broadband providers. The \$7.4 million Nashville receives from Comcast greatly exceeds what is currently received from broadband providers, so if Nashville were to charge additional fees on top of the \$7.4 million it would appear like Nashville was charging twice for the same service. She also explained that it might become more relevant as infrastructure changes; however, since the current FCC is focused on reducing what the local government can charge it does not seem to be a profitable option for Metro in the near future. Mr. Barton stated that if in the future younger people were not taking the product then that would be an option since that technology may not be there in 5 years. Ms. Costonis explains that normally franchised agreements are established for 15-year terms; however, the last agreement was only for a 10-year term for this reason. Mr. Barton asked when that specific term would end. Mr. Singleton stated that it would end in 2023.

Ms. Wright asked if Comcast has had any other offerings regarding video subscriptions. Mrs. Sasser-Hayden stated that Comcast has been looking at offerings with Instant TV in several pilot cities; however, she was not sure exactly when and where. She also explained that with Instant TV the customer would no longer need a box to access television they would only need internet access. Ms. Wright agrees and states that Comcast has to compete with other companies such as Amazon and with a box, they would never be able to.

Franchise Funds: Mr. Chris Singleton, IS Division Manager for Metro Nashville Network (MNN) & PEG Studio, presented a recap of the 2017 proposal that took the 2016 balance of the fund, \$270,881, and allocate it to a reserve fund for a new, future PEG Studio build project. The addition of the funding collected for 2017, \$232,219, and designated for the future PEG Studio build project, brought the overall total fund balance to \$503,100.

Mr. Singleton proceeded to the 2018 Proposal Summary. He requested that on behalf of the PEG channels, as a whole, a proposal the allocation of just under \$24,000 to purchase a new 4-channel Tightrope head-end server. Mr. Singleton explained what this piece of equipment is used for and how it will be used to streamline business continuity with a plug and play solution in the event of a disaster. Mr. Singleton then proposed that the remaining incoming funds be applied to the future build project of the PEG Studio.

Mr. Mark Rowan asked what the status on a location for the PEG Studio relocation, specifically whether a location had been chosen. Mr. Singleton responded that he was working with

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General Services and they believe that a location has been targeted, however it has not been formally announced and to do so at this time would be premature. In elaborating about the expected period, Mr. Singleton stated that a completed studio would need to be completed by January 2020 and the data that was shared with him was that once construction began, it would take between 6 to 9 months to complete. Mr. Garrett inquired why it has to be completed by January 2020. Mr. Singleton explained that was when the current lease would run out, an extension would not be out of the question but a new building would be the best option at this time.

Mr. Singleton then recapped the PEG Capital Fund by showing that as per the franchise agreement, Comcast would be paying their annual sum of \$200,000 and each of the state franchises would be contributing the following as there pro rata sum:

- AT&T's calculated fund: \$29,680
- United Communication's calculated fund: \$488
- Google Fiber's calculated fund: \$1,208

Those sums, minus the \$23,765 for a new playback server, would result in a grand total of \$701,711 in the fund balance allocated for a new PEG Studio building.

Ms. Wright inquired about the Tightrope server specifically about cost and server support. Mr. Singleton explained that the cost reflected both the unit price and the 3 years of server support from the Tightrope vendor.

The chair recognized, Ms. Trish Crist, NECAT CEO. Ms. Crist told the board that in the 5 years since she began at NECAT, the relationship between NECAT and Metro has never been stronger and she specifically pointed out the work done by Mr. Singleton, Ms. Clark and their team. She also thanked the board for their help.

Mr. Garrett made a motion approve the 2018 funds proposal as outlined by Mr. Singleton. Mr. Ross Pepper seconded the motion. The vote was unanimous.

New Business:

No new business.

Close and Adjournment:

Ms. Curtis asked if there was any other business before the committee and seeing none, she adjourned the meeting at 6:45PM

*Submitted by: Chris Singleton
May 29, 2018*

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