

Centre Area Cable Consortium

*Member Municipalities: Benner Township,
Bellefonte Borough, College Township, Ferguson
Township, Halfmoon Township, Harris Township,
Patton Township, State College Borough*

What is a cable franchise agreement?

- Agreement between a municipality and the cable operator (Adelphia).
- The franchise agreement is not exclusive.
- Sets service standards.
- Sets public, educational, and government programming requirements, and system requirements.
- The franchise agreement has specific terms.

Why negotiate collectively?

- Currently, all the municipalities in the CACC have franchises with Adelphia that are expired.
- Cost effective approach.
- Strength in numbers!
- Since agreements typically last for 10-15 years, it is very important to make sure we have the best possible agreement in place.

What are the goals of the renewal process?

- Establish an organization and process to negotiate a cable television franchise for the participating municipalities.
- Identify community needs and interests.
- Determine priorities for cable services.
- Level the playing field for negotiating a franchise.
- Protect the financial interests of the municipalities: \$10 million over 15 years.
- Provide for C-NET funding needs in the future.

What is the process for renewal?

- The CACC is beginning the process by information gathering, such as at the meeting this evening.
- Surveys were sent to:
 - Households
 - Businesses
 - Community Leaders.
- Once the information gathering phase is completed, a franchise renewal report will be prepared.
- The cable operator will then submit their renewal proposal, which will be reviewed to make sure certain requirements are met.
- Public comment will be solicited on the proposal.
- Negotiations will commence with the cable operator and, once completed, each municipality will adopt a new franchise agreement.

Are there items that a municipality can or cannot regulate?

A municipality can:

- Franchise anyone providing “cable service.”
- Require capacity, facilities, and financing for PEG access and institutional networks
- Charge franchise fees for the use of public rights-of-way
- Enforce customer service standards.
- Review transfers of ownership.
- Require upgrades.
- Enforce emergency alert standards.

A municipality cannot:

- Franchise telecommunications services under a cable franchise.
- Regulate customer premises equipment compatibility.
- Require the use of specific programming or channels.
- Regulate rates.
- Grant an exclusive franchise.

What is the status of Adelphia's system?

Mr. Adrian Herbst, of Baller Herbst Law Group, and professional consultant to the CACC will discuss the pending sale of Adelphia's system and its implications for our area.

Franchise Sale and Transfer

- A plan for the sale of Adelphia to Time Warner and Comcast has been made.
- The Pennsylvania systems will apparently become Comcast systems.
- This “plan” needs the approval of both the Bankruptcy Court and the Consortium.
- The “plan” was filed on or about May 1, 2005.
- The Bankruptcy Court has 45 days to approve the “plan” (about June 15th, 2005).

Franchise Sale and Transfer

- Creditors and investors will then have 60 days to approve plan and settle claims (about Sept. 15, 2005)
- The Consortium should receive a request for transfer approval from Adelphia by late Sept. or early Oct., 2005.
- The Consortium will have 120 days to review and approve the sale and transfer.
- After Consortium approval, a closing must occur between Comcast and Adelphia.

Effect on Renewal Process

- The Renewal Process should go on due to:
 - The length of time for the bankruptcy proceedings to be completed
 - The importance of having the franchise renewal requirements of the Consortium and its Members identified before transfer approval.
 - Issues concerning franchise compliance need to be resolved before transfer approval.

Benefits of Transfer to Comcast

- Comcast is the leading provider of cable, entertainment, and communications products and services.
- It is likely that Comcast will upgrade the 550 MHz systems that are currently in operation in order to achieve their aim “to roll out our new products and services rapidly” and “to provide all our subscribers, both old and new, with a complete suite of integrated communications and entertainment products”.

Has feedback been received by the CACC?

- Yes. Letters from customers have been received.
- The surveys that were sent to households, businesses, and community leaders have been returned and the results have been tabulated.
- Residents have visited the CACC Web site and sent e-mail.
- The following is a brief description of the comments received on the surveys:

Survey Results

- Subscribers think that rates are too high.
- A strong interest in a la carte programming.
- Problems with outages, sound and picture quality.
- Difficulty with automated phone system.
- Lack of ability to talk to anyone locally, no phone number for local office requiring trip to local office.
- Strong interest in advanced services.

How can I get involved?

- Following the presentation, there will be time for members of the public to make comments.
- A website has been developed and can be found at <http://www.statecollegepa.info/cabletv.htm>, or you can email comments to cabletv@statecollegepa.us
- A survey form is available on the web site for you to download and complete if you do not wish to offer your comments in front of the whole group.
- Please submit any written comments by the end of the week so that they can be included in the CACC negotiation process.

Public Comment

- Please state your name, address and municipality.
- Please limit comments to no more than 3 minutes.
- Please avoid repetition of previous comments.
- If you want to provide additional comments please feel free to do so at cabletv@statecollegepa.us