

NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING

June 20, 2018
6:00 p.m.

SPRING LAKE PARK CITY OFFICES
1301 81st Avenue NE
Spring Lake Park, Minnesota

AGENDA

1. CALL TO ORDER/ROLL CALL
2. CONSENT AGENDA **pp. 1-11**
 - 2.1. Approval of the minutes of the regular meeting, May 16, 2018
 - 2.2. Approval of the May financial reports and bill list
3. CITIZENS TO BE HEARD
4. NORTH METRO TV REPORT **pp. 12--19**
 - 4.1. Monthly update
5. REPORT OF EXECUTIVE COMMITTEE **pp. 20-34**
 - 5.1. 2019 NMTC Budget
6. REPORT OF OPERATIONS COMMITTEE **p. 35-36**
7. REPORT OF LEGAL COUNSEL
 - 7.1. Monthly Report
8. REPORT OF COMCAST
9. REPORT OF CENTURYLINK
10. NEW BUSINESS
11. OLD BUSINESS
12. REPORT OF DIRECTORS
13. COMMUNICATIONS **pp. 37-52**
14. ADJOURN

NORTH METRO TELECOMMUNICATIONS COMMISSION

UNAPPROVED MINUTES

Commission Meeting – May 16, 2018

CALL TO ORDER

Chair D. Swanson called the regular meeting of the North Metro Telecommunications Commission to order at 6:00 p.m. at the Spring Lake Park city offices.

ROLL CALL

Directors Present: Dick Swanson; Blaine, Jennifer Rauner; Circle Pines, Al Parranto; Ham Lake, Dale Stoesz; Lino Lakes, Cindy Hansen; Spring Lake Park, Mike Murphy; Lexington, Steve King; Centerville

Directors Absent:

Others Present: Heidi Arnson; Executive Director, Mike Bradley; Legal Counsel, Greg Emmerich; CPA

Comcast Rep:

CenturyLink Rep:

CONSENT AGENDA

- **Minutes, Bill List, Financial Reports**

The March 21, 2018 minutes, and the March and April bill lists and financial reports were approved as presented. **Motion for approval made by M. Murphy. Second, C. Hansen. Motion passed.**

CITIZENS TO BE HEARD

None present.

2017 AUDIT PRESENTATION

G. Emmerich, of Harrington, Langer and Associates, reviewed the 2017 North Metro Telecommunications Commission annual financial report. No abnormalities were found and the Commission is in a good financial position.

MOTION: To approve the 2017 North Metro Telecommunications Commission annual financial report as presented. **Motion for approval made by: C. Hansen. Second: M. Murphy. Motion approved.**

REPORT OF NORTH METRO TV

H. Arnson reviewed the North Metro TV report as presented in the packet. A summary was also given of activities for the months of April and May. Topics included:

- The 17th Annual VIP Awards ceremony was held on Tuesday May 15th at the historic Heights Theatre. The event recognizes and honors the many volunteers and community producers at North Metro TV. In total, 23 trophies and 48 certificates of recognition were given to some very deserving folks.
- The Blaine/Ham Lake Girl Scouts produced seven videos about the lives and careers of pioneering women in film and television, and a PSA about things you can do without your cell phone. Studio Manager, Eric Houston, put together a premiere night for the girls and their friends and families. All of the videos were played for the audience.
- Ham Lake has completed its HD upgrade. Circle Pines is also moving forward with their upgrade. They are just waiting for their last bid to be submitted before selecting a vendor.
- NMTV staff solved the on-going audio problem on the Spring Lake Park city channel. Video Engineer, Matt Waldron, discovered that an audio processor had somehow, moved to an incorrect setting.

REPORT OF EXECUTIVE COMMITTEE/OPERATIONS COMMITTEE

M. Murphy reported on the following items:

- The franchise and PEG audits of Comcast are underway. A request for bids resulted in three proposals. During a meeting of the five audit participants, the Ashpaugh & Sculco proposal was chosen. According to the proposal, the audits and associated reports can be completed in 6 months, dependent upon the cooperation of the involved parties.
- The next quarterly meeting with CenturyLink has been scheduled.

REPORT OF LEGAL COUNSEL

M. Bradley reported on the following items:

- The FCC has ruled against the North Metro Telecommunications Commission on its appeal of the FCC's ruling that Comcast was subject to effective competition in the North Metro franchise area. During the five years it took for the decision to be reached, the rules relating to rate regulation and the

arrival of CenturyLink as a franchised competitor rendered the decision moot. The decision will have no new impact on the Commission.

- Legal Counsel will be looking into the franchise fee payments of CenturyLink. There are some unusual adjustments that merit examination.
- There are also questions regarding the impact of CenturyLink no longer planning to add Prism customers, on the current franchises and renewal.
- The Closed Captioning project is underway. All participants have submitted their data. Individual reports will be provided to each client.

REPORT OF COMCAST

No report was presented.

REPORT OF CENTURYLINK

No report was presented.

NEW BUSINESS

- Anyone interested in attending the annual MACTA conference on June 13th should contact staff
- The June 20th Commission meeting will coincide with the LMC annual conference.

OLD BUSINESS

No old business was presented.

REPORT OF DIRECTORS

No reports of Directors were presented.

ADJOURN

The meeting was adjourned at 6:22 p.m. **The motion to adjourn was made by A. Parranto. Second, M. Murphy. Motion approved.**

The next meeting of the NMTC will be held on **Wednesday, June 20, 2018 at 6:00 p.m.** at the city offices of Spring Lake Park.

Dale Stoesz; Secretary, NMTC

**NORTH METRO TELECOMMUNICATION
BILL LIST**

MAY 2018

Date	Check #	Payee	Amount
MAY	COMBINED	PAYROLL	39,075.70
MAY	COMBINED	IRS/US PAYABLE	12,597.43
MAY	COMBINED	MN REVENUE PAYABLE	2,210.89
MAY	COMBINED	PERA PAYABLE	7,115.68
MAY	COMBINED	PEACHTREE	40.00
MAY	COMBINED	DISCOVERY BENEFITS	962.50
13278	5/1/18	Stewart Signs	430.52
13279	5/1/18	Richard D. Larson	341.00
13280	5/1/18	Rick Larson	4.11
13281	5/1/18	Steven D. King	135.00
13282	5/1/18	Alan M. Parranto	135.00
13283	5/1/18	Michael A. Murphy	135.00
13284	5/1/18	Dale K. Stoesz	135.00
13285	5/1/18	Cynthia A. Hansen	135.00
13286	5/1/18	Jennifer Rauner	135.00
13287	5/2/18	Harrington Langer & Associates	4,275.00
13288	5/2/18	Bradley Law, LLC	1,068.75
13289	5/7/18	Alpha Video & Audio, Inc	2,350.00
13290	5/7/18	Grass Hopper Lawn & Snow	625.00
13291	5/7/18	Coastal Wintergreen LLC	400.00
13292	5/7/18	Z Systems	44,253.86
13293	5/9/18	Z Systems	3,013.87
13294	5/21/18	Lakes Marketing Group Inc	398.00
13295	5/22/18	City of Blaine	123,455.20
13296	5/22/18	City of Centerville	7,655.78
13297	5/22/18	City of Circle Pines	10,979.41
13298	5/22/18	City of Ham Lake	31,998.41
13299	5/22/18	City of Lexington	4,102.96
13300	5/22/18	City of Lino Lakes	37,820.48
13301	5/22/18	City of Spring Lake Park	13,202.78
13302	5/22/18	Service Fire Protection	3,220.00
13303	5/29/18	STB-Mark Hultgren	995.00
13304	5/29/18	Heidi Arnson	129.22
13305	5/31/18	Matthew Bishop	75.00
EFILE	5/1/18	Authorize.Net	25.90
EFILE	5/14/18	Chase Visa Card Services	10,843.00
EFILE	5/1/18	Virtual Merchant Credit Card	10.00
EPAY-01	5/1/18	SA Fleet-Wex Bank	247.02
EPAY-02	5/2/18	POPP TELECOM	831.46
EPAY-03	5/3/18	Comcast	285.92
EPAY-04	5/3/18	T-Mobile	103.16
EPAY-05	5/4/18	Principal Financial Group	433.59
EPAY-06	5/9/18	U.S. Bank Card Service	541.56
EPAY-07	5/12/18	AT&T Wireless	385.43
EPAY-08	5/14/18	Republic Services	155.61
EPAY-09	5/15/18	CenterPoint Energy	249.81
EPAY-10	5/15/18	Comcast Business 100M/100M	756.78
EPAY-11	5/22/18	HealthPartners	9,846.61
EPAY-12	5/26/18	City of Blaine-utilities	58.10
EPAY-13	5/26/18	Connexus Energy	1,902.74
EPAY-P01	5/1/18	Richard R. Swanson	135.00
APRIL SALES	5/8/18	MN Dept. of Revenue	44.00

380,462.24

North Metro Telecommunications Commission

Balance Sheet

May 31, 2018

ASSETS

Current Assets

Cash - Checking Account	\$	2,234,866.77
Petty Cash		150.00
A/R - NMTC		168,868.06
Prepaid Insurance - NMTC		14,543.48

Total Current Assets 2,418,428.31

Property and Equipment

Office Equipment - NMTC	1,285,000.85
Accum Deprec - NMTC	(1,892,800.79)
Bond Equipment 2016	1,985,000.00
Building-Polk/125	1,503,204.17
Land-Polk/125	225,700.00

Total Property and Equipment 3,106,104.23

Other Assets

Deferred Out Related/Pension	163,031.00
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Total Other Assets 163,031.00

Total Assets \$ 5,687,563.54

LIABILITIES AND CAPITAL

Current Liabilities

A/P - NMTC	\$	1,260.00
Accrued Payroll Taxes & W/H's		449.54
PERA PAYABLE - PRIOR		(768.59)
Accrued Vacation		97,063.61
Accrued Wages		45,715.64
Franchise Fee App		991,433.01
Due to City of Blaine		762,119.00
Due to City of Centerville		47,261.00
Due to City of Circle Pines		67,778.00
Due to City of Ham Lake		197,534.00
Due to City of Lexington		25,328.00
Due to City of Lino Lakes		233,475.00
Due to City of Spring Lake Par		81,504.00
Deferred In Related/Pension		132,827.00

Total Current Liabilities 2,682,979.21

Long-Term Liabilities

Net Pension Liability	632,009.00
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Total Long-Term Liabilities 632,009.00

Total Liabilities 3,314,988.21

Capital

Net Equity	386,721.40
Net Equity - Media Ctr	(206,243.34)
Net Equity - NMTC	2,517,656.37
Net Income	(325,559.10)

Total Capital 2,372,575.33

Total Liabilities & Capital \$ 5,687,563.54

Internally Prepared - For Management Use Only

North Metro Telecommunications Comm

Cash Receipts Journal

For the Period From May 1, 2018 to May 31, 2018

Date	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
5/1/18	1ST QTR PEG FEES-ADJ	1ST QUARTER PEG FEES-ADJUSTMENT CenturyLink-Peg	149.59	149.59
5/28/1	MAY CC SALES-AUTH	MAY CREDIT CARD SALES-AUTHORIZE.NET MAY CREDIT CARD SALES-AUTHORIZE.NET-FEES Credit Card Sales	1.16 38.84	40.00
5/29/1	MAY CC SALES-VM	MAY CREDIT CARD SALES-VIRTUAL MERCHANT Credit Card Sales	435.00	435.00
5/31/1	INTEREST	INTEREST-COMMISSION CHECKING INTEREST - COMMISSION	3,223.21	3,223.21
			3,847.80	3,847.80

North Metro Telecommunications Comm

Check Register

For the Period From May 1, 2018 to May 31, 2018

Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

Check #	Date	Payee	Amount
EFILE	5/1/18	Discovery Benefits	22.50
EFILE	5/1/18	Authorize.Net	25.90
EFILE	5/1/18	Virtual Merchant Credit Card	10.00
13278	5/1/18	Stewart Signs	430.52
EPAY-01	5/1/18	SA Fleet-Wex Bank	247.02
13279	5/1/18	Richard D. Larson	341.00
13280	5/1/18	Rick Larson	4.11
13281	5/1/18	Steven D. King	135.00
13282	5/1/18	Alan M. Parranto	135.00
13283	5/1/18	Michael A. Murphy	135.00
13284	5/1/18	Dale K. Stoesz	135.00
13285	5/1/18	Cynthia A. Hansen	135.00
EPAY-P01	5/1/18	Richard R. Swanson	135.00
13286	5/1/18	Jennifer Rauner	135.00
EPAY-02	5/2/18	POPP TELECOM	831.46
13287	5/2/18	Harrington Langer & Associates	4,275.00
13288	5/2/18	Bradley Law, LLC	1,068.75
PEACH	5/2/18	Peachtree/Sage Software	1.60
EPAY-03	5/3/18	Comcast	285.92
EPAY-04	5/3/18	T-Mobile	103.16
EPAY-05	5/4/18	Principal Financial Group	433.59
13289	5/7/18	Alpha Video & Audio, Inc	2,350.00
13290	5/7/18	Grass Hopper Lawn & Snow	625.00
13291	5/7/18	Coastal Wintergreen LLC	400.00
13292	5/7/18	Z Systems	44,253.86
APRIL SALES TAX	5/8/18	MN Dept. of Revenue	44.00
EFILE	5/9/18	Discovery Benefits	470.00
13293	5/9/18	Z Systems	3,013.87
EPAY-06	5/9/18	U.S. Bank Card Service	541.56

North Metro Telecommunications Comm

Check Register

For the Period From May 1, 2018 to May 31, 2018

Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

Check #	Date	Payee	Amount
PEACH	5/11/18	Peachtree/Sage Software	19.20
EFILE	5/11/18	Public Employees Retirement	3,471.77
EFILE	5/11/18	IRS/US BANK	5,859.23
EFILE	5/11/18	MN Dept. of Revenue	1,087.64
EPAY-07	5/12/18	AT&T Wireless	385.43
EPAY-08	5/14/18	Republic Services	155.61
EFILE	5/14/18	Chase Visa Card Services	10,843.00
EPAY-09	5/15/18	CenterPoint Energy	249.81
EPAY-10	5/15/18	Comcast Business 100M/100M	756.78
13294	5/21/18	Lakes Marketing Group Inc	398.00
EPAY-11	5/22/18	HealthPartners	9,846.61
13295	5/22/18	City of Blaine	123,455.20
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13299	5/22/18	City of Lexington	4,102.96
13300	5/22/18	City of Lino Lakes	37,820.48
13301	5/22/18	City of Spring Lake Park	13,202.78
13302	5/22/18	Service Fire Protection	3,220.00
EFILE	5/23/18	Discovery Benefits	470.00
PEACH	5/25/18	Peachtree/Sage Software	19.20
EFILE	5/25/18	Public Employees Retirement	3,490.08
EFILE	5/25/18	IRS/US BANK	5,893.92
EFILE	5/25/18	MN Dept. of Revenue	1,094.18
EPAY-12	5/26/18	City of Blaine-utilities	58.10
EPAY-13	5/26/18	Connexus Energy	1,902.74
13303	5/29/18	STB-Mark Hultgren	995.00
13304	5/29/18	Heidi Arnson	129.22
13305	5/31/18	Matthew Bishop	75.00

North Metro Telecommunications Comm

Check Register

For the Period From May 1, 2018 to May 31, 2018

Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

Check #	Date	Payee	Amount
EFILE	5/31/18	MN Dept. of Revenue	29.07
EFILE	5/31/18	IRS/US BANK	844.28
EFILE	5/31/18	Public Employees Retirement	153.83
Total			<u>341,386.54</u>

North Metro Telecommunications Comm

General Journal

For the Period From May 1, 2018 to May 31, 2018

Date	Reference	Trans Description	Debit Amt	Credit Amt
5/1/18	ACCRUED VAC/COM/SICK	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	95,794.50	95,794.50
5/1/18	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	14,800.56	14,800.56
5/31/18	ACCRUED DEPRECIATION	ACCRUED DEPRECIATION ACCRUED DEPRECIATION	12,900.00	12,900.00
5/31/18	ACCRUED VAC/COM/SICK	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	97,063.61	97,063.61
5/31/18	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	22,200.84	22,200.84
	Total		242,759.51	242,759.51

North Metro TV

May 2018 Update

Program Production

In May, a total of **106 new programs** were produced utilizing the North Metro facilities, funds, and services. This constitutes **77:00:00 hours of new programming**.

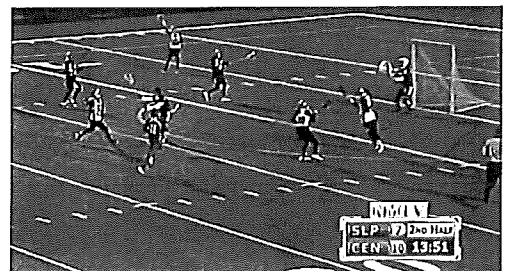
- 29 programs were produced by the public
- 56 programs were produced by NMTV staff
- 21 programs were produced by City staff



Van Shoots

The HD truck was used for **48:45:00** hours of production. The Spring weather and field conditions resulted in many canceled shoots. Events produced live and recorded for additional playbacks include:

- Baseball: Blaine vs. Centennial
- Baseball: Andover vs. Centennial
- Boys Lacrosse: Spring Lake Park vs. Blaine
- Softball: Spring Lake Park vs. Blaine
- Girls Lacrosse: Spring Lake Park vs. Centennial
- Boys Lacrosse: Centennial vs. Spring Lake Park
- Softball: 5AAAA Playoff: Osseo vs. Centennial



Workshops

Workshop	Instructor	Organization	Students
Studio	Eric Houston	Blaine HS BPA	3
Intro to NMTV	Eric Houston	General Public	1
Intro to NMTV	Eric Houston	General Public	2
Editing	Eric Houston	General Public	1
Editing	Eric Houston	General Public	1
Camera	Eric Houston	General Public	1
6 Workshops			9 Student

Home Movie Transfers

Home movie transfers have become one of our most popular services. Residents can transfer their family videos themselves for free, or pay NMTV to do it. NMTV can also transfer film, slides, and photos for a fee.

Month	Hours Transferred	Tapes	Film Reels	DVDs	Photos/ Slides	Fees Paid
January	201.75	57	122	20	409	\$1,159.00
February	120.5	41	53	15	1,164	\$780.00
March	167.5	64	0	74	237	\$381.00
April	128.00	52	53	17	781	\$195.00
May	59.00	29	18	9	0	\$460.00
TOTAL:	548.75	243	246	135	2,591	\$2,975.00

Public Usage Stats

For statistical purposes, the public access department documents total numbers of unique individuals and total hours of usage of the facility by the general public, every month. These numbers include regular users, class participants, individuals transferring videos, people who attend events, and any other public usage of the facility. The numbers do not take into account the many members of the public who work with any other NMTV department, such as news, sports, municipal, or educational.

Month	Unique Individuals	Total Usage Hours
January	111	460
February	112	685.25
March	117	552.25
April	47	295.5
May	103	409.25
TOTAL PUBLIC USAGE:		2,402.25

Production Highlights

NMTV News Highlights

Each week Danika Peterson and Ben Hayle create a news program that highlights events, people, issues, and information important to citizens of our Member Cities. Some May highlights include:

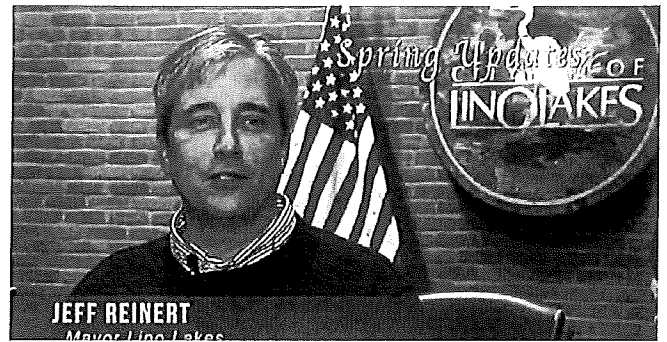
- Police Concerned for Pedestrian Safety
- Seniors Coming Together for Safety
- Getting Ready for Golf
- National Sports Center Upgrades
- World Fest Around the Corner
- Toppers Pizza Comes to Blaine
- Blaine Wetlands Restoration Continues
- New Stroke Procedure Saving Lives
- Legislative Session Leaves Lawmakers Frustrated
- Local Apartments Get Smart



In addition to daily playbacks of North Metro TV News on the cable systems, there are over 490 local stories archived for viewers on the NMTV YouTube page. The page can be accessed through the northmetrotv.com website.

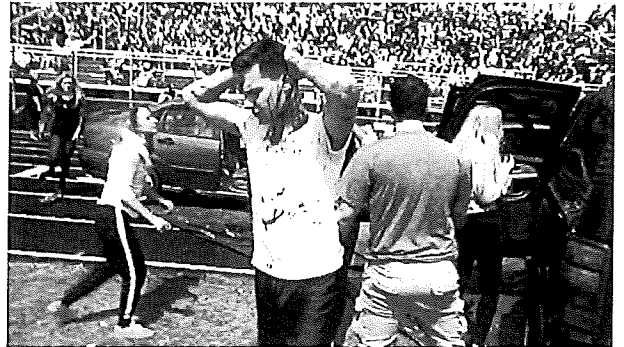
Spring Mayor's Minutes

Municipal Producer, Trevor Scholl continued to produce episodes of the Spring round of Mayor's Minutes programs. The Lino Lakes shoot was completed in May. The show is a casual report by the Mayor of what is going on in each City. It is generally pretty short...around three to five minutes...and is intended to give Cities a forum to highlight issues, plans and accomplishments.



Arrive Alive

T.J. has wrapped up work on this year's version of Arrive Alive, with Blaine High School. T.J. and several volunteers shot the final accident scenes and then T.J. edited all night long to have the completed performance for the big presentation to the student body ready for the next day. The presentation of the video, and student, teacher, and parent comments were all included in the final product. It always ends up being a very emotional production. The program is currently being scheduled on the North Metro TV channel and several City channels



Your City Staff

One episode of Your City Staff was produced in May. It featured Shari Kunza of the Blaine Park and Rec Department. The episode highlighted her background and the work she does for the City of Blaine. The videos are presented as a news story on North Metro TV News, and then edited into a stand alone video for the corresponding City Channel. If anyone has a suggestion for future features, please let Ben and Danika know!



Annual VIP Awards Ceremony

The 16th Annual VIP Awards Ceremony took place on Tuesday, May 15th. For the fourth year the event was held at the Historic Heights Theatre. The Theatre staff had VIP Awards spelled out on the marquee, and our poster for the event was in the display case. The organist played until the ceremony started and popcorn and beverages were provided. A photography area was set up so people could have their pictures taken before the ceremony and after with their awards. We had a great turn-out and have heard nothing but compliments regarding the venue. In total, 21 trophies and 63 certificates of appreciation were given to some very deserving folks. The event was taped and each individual award recipient's segment is presented as a separate program. By doing this we could easily post each award winner's segment to YouTube and our website.



School Projects

T.J. Tronson completed work on five school plays and concerts in May. Performances completed include:

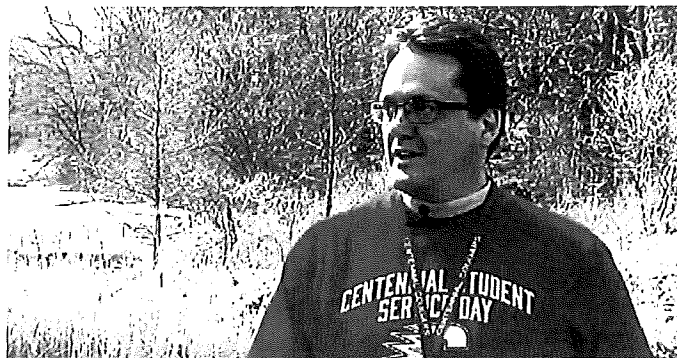
- The Centennial Middle School production of "Mary Poppins."
- The Blaine High School Special Education play, "Zootopia: How Full is Your Bucket"
- The Centennial School District's Annual "Centennial's Got Talent."
- The Blaine High School Spring Band Concert



City Productions

Municipal Producer, Trevor Scholl, completed six projects in May and worked on several more, including community gardens and farmers markets in Circle Pines, Lexington, and Blaine, and a new project with the Centennial Police. Projects completed include:

- Lino Lakes Mayor's Minutes Spring 2018
- Pressed MN
- Student Service Day
- AHS Walk for Animals
- Tower Days Preview
- Open to Business: Centerville



New and ongoing projects include:

- Community garden projects for Circle Pines and Blaine
- Farmers market projects for Blaine and Lexington
- Talking with Centennial Police regarding several videos
- Producing an internal video for Lino Lakes
- Circle Pines City promo
- Lino Lakes organics recycling
- Tower Days events for Spring Lake Park
- Open to Business, each City's involvement
- Ham Lake senior dance day
- Arranging interviews with each City's economic developer about Open to Business

Trevor touches base with contacts on a regular basis and also encourages Cities to contact him whenever they have an idea for a new show.

Production equipment consulting for cities and schools

Blaine

- No equipment consulting was necessary.

Centerville

- 5/14/18: Called regarding SCALA computer install. Scheduled for May 15th.
- 5/14/18: Carousel showing the wrong graphics on screen. The Carousel is not communicating with the Pro VOD.
- 5/15/18: Installed new SCALA computer.
- 5/24/18: Audio not working. Checked tuner. Someone must have turned it off.
- 5/24/18: Emailed Z Systems about getting Centerville's proposal completed.

Circle Pines

- 5/17/18: Alpha Video sends upgrade proposal.
- 5/18/18: Schedule meeting with Patrick Antonen to discuss the HD upgrade and choose a company to do the install.
- 5/24/18: Notified AVI, Z Systems and Alpha about May 30th meeting.
- 5/24/18: Emailed Patrick and updated him on all of the HD proposals. Sent a spreadsheet comparing the 3 companies.
- 5/30/18: Met with Patrick regarding HD upgrade bids.

Ham Lake

- 5/1/18: Z Systems continue with HD install and report progress with Matt.
- 5/1/18: Ross changed and committed to commissioning and training dates.
- 5/3/18: Z Systems continue with HD install and reports progress with Matt.
- 5/4/18: Z Systems continue with HD install and reports progress with Matt.
- 5/7/18: Z Systems continue with HD install and reports progress with Matt.
- 5/9/18: Z Systems continue with HD install and reports progress with Matt.
- 5/10/18: Emailed Denise regarding Makito X install timing. Arranged time to do it.
- 5/11/18: Went to Ham Lake to program the Makito X.
- 5/11/18: Talked with Z Systems regarding audio issues
- 5/15/18: Z Systems continue with HD install and reports progress with Matt.
- 5/15/18: Deliver Brightsign Carousel replica playback file to Ham Lake for the transmission of graphics. Also supplied a temporary Brightsign file of the Ham Lake logo for the Chamber's playback monitors for the default graphic. Tested. Both work great.
- 5/16/18: Connected the Comcast fiber transport system to use as a back-up if the Makito fails.

- 5/16/18: Formal Ross training. Discovered dead ethernet port on Ham Lake Makito switch.
 - 5/16/18: Makito X training is completed ahead of schedule.
 - 5/16/18: Ham Lake Parks meeting is recorded in NMTV master control. Successful.
 - 5/22/18: Monitor the first live meeting. Successful.
 - 5/29/18: Z Systems fixes audio issues.
 - 5/30/18: Emailed Don Krueger regarding faulty Creston system at fire station. Set up time to check out.
- Lexington**
- 5/14/18: Supply videos of old meetings for Bill Petracek.
- Lino Lakes**
- 5/14/18: The Lino Lakes stream stopped. Restarted it.
- Spring Lake Park**
- No equipment consulting was necessary.
- All Cities**
- 5/7/18: VOD server reinstalled after week long absence for upgrades and overhaul.

City Channel 16 Playback Stats

City	Number of Times Programs Played	Hours Programmed on Channel
Blaine	179	293:51:13
Centerville	42	65:29:37
Circle Pines	228	92:45:17
Ham Lake	73	68:10:14
Lexington	97	66:50:33
Lino Lakes	83	105:32:05
Spring Lake Park	94	96:56:36
Totals:	796 Program Playbacks	789:35:25 Hours of Video Programming on Channels

Programs Produced by the Public

Title	Producer	Runtime
What's Happening Minnesota	Jeanine Hill	00:27:08
Off Constantly	David Bauer	00:23:31
Every Movie Ever Made (2 episodes)	Joe Scholz, Rick Bostrom, Ben Daniels/Ryan Frieundschuh, Gavin Van Trease/Eric Houston	00:56:59
The Super Show (3 episodes)	Video Club/Eric Houston	00:25:50
A Fresh New Day (3 episodes)	Anita Wardlaw	01:25:27
The Power of Love (4 episodes)	Rick Larson	02:00:00
LovePower (4 episodes)	Ann Sandell	04:00:00
Rice Creek Watershed District Meeting (2 episodes)	Theresa Stasica	04:27:35
Oak Park Moments (4 episodes)	David Turnidge	02:08:38
Hope Church (5 episodes)	Cindy Hardy	04:53:54
29 New Programs		22:04:12 New Hours

Programs Produced by NMTV Staff

Title	Producer	Runtime
Anoka County Board Meeting (5/8/18)	T.J. Tronson	00:42:40
Anoka County Board Meeting (5/22/18)	T.J. Tronson	01:09:29
NMTC Meeting (5/16/18)	T.J. Tronson	00:19:36
Arrive Alive 2018	T.J. Tronson	01:06:00
Centennial's Got Talent	T.J. Tronson	01:45:00
Cinderella	T.J. Tronson	01:30:00
Zootopia	T.J. Tronson	01:00:00
Blaine High School's Spring Band Concert	T.J. Tronson	02:00:00
Memorial Day Service - American Legion Post 566	T.J. Tronson	00:39:08
NMTV News (5 episodes)	Danika Peterson/Ben Hayle	01:58:46
Your City Staff: Shari Kunza	Danika Peterson/Ben Hayle	00:03:17
Blaine To Get New Senior Center	Danika Peterson/Ben Hayle	00:04:46
Toppers Pizza Comes to Blaine	Danika Peterson/Ben Hayle	00:03:52
Wetland Sanctuary Moves Forward	Danika Peterson/Ben Hayle	00:04:41
Lino Lakes Mayor's Minutes	Trevor Scholl	00:06:25
Pressed MN	Trevor Scholl	00:07:11
Student Service Day	Trevor Scholl	00:03:36
AHS Walk for Animals	Trevor Scholl	00:04:11
Tower Days Preview	Trevor Scholl	00:03:27
Open to Business: Centerville	Trevor Scholl	00:05:57
2018 VIP Award Winners (21 episodes)	Eric Houston	00:30:42
Baseball: Blaine/Centennial	Kenton Kipp/J. Millington	01:50:45
Adapted Softball: North Suburban/Anoka Hennepin	Kenton Kipp/J. Millington	00:52:04
Baseball: Andover/Centennial	Kenton Kipp/J. Millington	02:14:41
Boys Lacrosse: Spring Lake Park/Blaine	Kenton Kipp/J. Millington	01:51:52
Softball: Spring Lake Park/Blaine	Kenton Kipp/J. Millington	01:36:56
Girls Lacrosse: Spring Lake Park/Centennial	Kenton Kipp/J. Millington	01:33:33
Boys Lacrosse: Centennial/Spring Lake Park	Kenton Kipp/J. Millington	01:52:00
Softball: 5AAAA Playoff: Osseo/Centennial	Kenton Kipp/J. Millington	01:35:24
NMTV Sports Classics (3 episodes)	Kenton Kipp/J. Millington	05:03:29
56 New Programs		31:59:21 New Hours

Programs Produced by City Staff

Title	Producer	Runtime
Blaine Traffic Commission Meeting (5/1/18)	Blaine Staff	00:27:52
Blaine City Council Meeting (5/3/18)	Blaine Staff	02:45:15
Blaine Planning Commission Meeting (5/8/18)	Blaine Staff	00:48:39
Blaine City Council Meeting (5/17/18)	Blaine Staff	02:25:20
Blaine Park Board Meeting (5/22/18)	Blaine Staff	00:39:24
Centerville City Council Meeting (5/9/18)	Centerville Staff	01:52:53
Centerville City Council Meeting (5/23/18)	Centerville Staff	01:13:23
Circle Pines City Council Meeting (5/8/18)	Circle Pines Staff	00:15:20
Circle Pines Utility Commission Meeting (5/16/18)	Circle Pines Staff	00:09:32
Circle Pines City Council Meeting (5/22/18)	Circle Pines Staff	00:28:14
Ham Lake City Council Meeting (5/21/18)	Ham Lake Staff	00:34:19

Title Cont.	Producer Cont.	Runtime Cont.
Ham Lake Planning Commission Meeting (5/29/18)	Ham Lake Staff	00:17:41
Lexington City Council Meeting (5/3/18)	Lexington Staff	00:20:52
Lexington City Council Meeting (5/17/18)	Lexington Staff	00:54:13
Lino Lakes Park Board Meeting (5/7/18)	Lino Lakes Staff	01:00:54
Lino Lakes Planning & Zoning Commission Meeting (5/9/18)	Lino Lakes Staff	03:19:50
Lino Lakes City Council Meeting (5/14/18)	Lino Lakes Staff	02:14:33
Lino Lakes City Council Meeting (5/29/18)	Lino Lakes Staff	00:29:00
Spring Lake Park City Council Meeting (5/7/18)	Spring Lake Park Staff	01:34:21
Spring Lake Park City Council Meeting (5/21/18)	Spring Lake Park Staff	00:32:23
Spring Lake Park Planning Commission Meeting (5/29/18)	Spring Lake Park Staff	00:40:41
21 New Programs		23:04:39 New Hours

If you have any questions or comments regarding this monthly report please contact
Heidi Arnson at 763.231.2801 or harnson@northmetrotv.com.

NORTH METRO TV

Production Statistics 2018

Programming Statistics	J	F	M	A	M	J	JU	A	S	O	N	D	18 Total	18 Average
Cablecast Programs														
Cablecast Hours	2644.00	2465.00	2625.00	1393.00	2508.00								11633.00	969.42
Programs Produced - Public	2108.00	1995.75	1948.75	1182.75	2103.50								9338.75	778.23
Program Hours Produced - Public	19.00	27.00	24.00	22.00	18.00								110.00	9.17
Program Produced - Affiliated Public	12.25	12.50	7.75	13.50	10.50								56.50	4.71
Prog. Hours Produced - Affil. Public	8.00	10.00	2.00	12.00	11.00								43.00	3.58
Programs Produced - City Staff	5.25	6.50	4.00	10.50	11.50								37.75	3.15
Prog. Hours Produced - City Staff	21.00	21.00	26.00	26.00	21.00								115.00	9.58
Programs Produced - NMTV Staff	20.75	23.50	24.00	27.25	23.00								118.50	9.88
Prog. Hours Produced - NMTV Staff	31.00	29.00	26.00	18.00	56.00								160.00	13.33
Total Public Programs Produced	21.00	16.50	17.50	12.00	32.00								99.00	8.25
Total Staff Programs Produced	52.00	37.00	26.00	34.00	29.00								153.00	12.75
Total Internal Programs Produced	79.00	87.00	78.00	78.00	106.00								275.00	22.92
% Staff Produced Programs	65.82%	57.47%	66.67%	56.41%	72.64%								428.00	35.67
% Public Produced Programs	34.18%	42.53%	33.33%	43.59%	27.36%								64.25%	64.25%
External Programs Submitted	33.00	19.00	18.00	21.00	28.00								35.75%	35.75%
External Program Hours	24.50	14.00	14.25	16.00	23.00								119.00	9.92
Total New Programs	112.00	106.00	96.00	99.00	134.00								91.75	7.65
Equipment Usage Statistics													547.00	45.58
Facility Hours Available	196.00	188.00	216.00	161.00	201.00								962.00	80.17
Public Field Equipment Uses	6.00	12.00	11.00	9.00	8.00								46.00	3.83
Studio A	73.75	76.25	72.75	28.00	41.00								291.75	24.31
% of Available Time	37.63%	40.56%	33.68%	17.39%	20.40%								30.33%	30.33%
Studio B	5.75	28.25	7.50	31.75	5.50								78.75	6.56
% of Available Time	2.93%	15.03%	3.47%	19.72%	2.74%								8.19%	8.19%
Public MAC A Edit Suite	102.75	81.25	98.50	48.25	59.50								390.25	32.52
% of Available Time	52.42%	43.22%	45.60%	29.97%	29.60%								40.57%	14.62%
Public MAC B Edit Suite	101.00	70.25	84.50	94.25	64.00								414.00	34.50
% of Available Time	51.53%	37.37%	39.12%	58.54%	31.84%								43.04%	43.04%
Public MAC C Edit Suite	79.75	67.50	92.25	46.75	25.50								311.75	25.98
% of Available Time	40.69%	35.90%	42.71%	29.04%	12.69%								32.41%	32.41%
Production Van Statistics														
Production Hours	38.00	60.50	26.75	22.25	48.75								196.25	16.35
Number of Van Shoots	6.00	8.00	4.00	4.00	7.00								29.00	2.42
Average Hours Per Shoot	6.33	7.56	6.69	5.56	6.96								6.77	1.36
Number of New Volunteers	3.00	2.00	1.00	1.00	1.00								8.00	0.67
Volunteer Hours	29.00	40.00	4.00	12.00	32.00								117.00	9.75
Public Access Statistics														
Number of Workshops	11.00	11.00	10.00	1.00	6.00								39.00	3.25
Number of Students	78.00	65.00	105.00	1.00	9.00								258.00	21.50
PAP Volunteer Hours	146.75	216.50	159.50	101.00	109.50								733.25	61.10
Total Public Facility Usage Hours	460.00	685.25	552.25	295.50	409.25								2402.25	200.19

EXECUTIVE COMMITTEE MINUTES

Meeting of June 6, 2018

Executive Cmte. Present: Mike Murphy; Lexington, Cindy Hansen; Spring Lake Park, Dale Stoesz; Lino Lakes, Dick Swanson; Blaine

Absent:

Others Present: Heidi Arnson; Executive Director, Rose Valez; Admin. Asst.,

CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

APPROVAL OF MINUTES

A motion to approve the May 2, 2018 Executive Committee meeting minutes was made by C. Hansen. Second, M. Murphy. Motion approved.

EXECUTIVE DIRECTOR / OPERATIONS COMMITTEE REPORT

- The recommended 2019 budget was reviewed. Goals for 2019 include expanding accessibility of City channels by providing live streaming of channels 24-hours-a day, transitioning all Cities to HD, obtaining an HD City channel from Comcast, creating OTT apps for community programming, and continuing with the franchise renewal. Operating expenses were budgeted at \$13,525 more than the 2018 budget. There were reductions in anticipated administrative expenses, but increases in building and personnel costs. The personnel budget includes an up to 2.75% COLA increase and step increases for three employees. Benefits were budgeted at \$1,145 per employee, based on benefits packages provided by Cities to their employees. Capital expenses are budgeted at \$450,615. A little over half of the capital budget is dedicated to the bond payment of \$230,475, for the HD upgrade. Other capital expenditures recommended for 2019 include streaming servers and Makito X transport equipment for Cities, maintenance and support contracts for equipment, a wireless microphone system for Studio A, two tripod systems for the truck, and some field equipment. Annual computer upgrades, software licenses, and music licenses are also included in the capital budget, along with money for some parking lot repairs. Franchise fees returned to Cities have been budgeted at \$400,000. This is the same amount as last year. The Operations Committee recommends that the Cable Commission approve the 2019 NMTC budget as prepared.

MOTION: To approve the 2019 NMTC budget as presented. **Motion made by C. Hansen. Second, M. Murphy. Motion approved.**

- The Committee discussed increasing the PEG fee in 2019. According to the Memorandum of Understanding the PEG fee can be increased by the average CPI, as recorded by the Bureau of Labor Statistics, for the previous year. That would amount to a 2.1% increase, or 7 cents per subscriber per month.

The Operations Committee recommends that the Cable Commission approve raising the PEG fee by 7 cents as of January 1st, 2109.

MOTION: To approve raising the PEG fee by 7 cents, from 3.23 to 3.30 per month, per subscriber, as of January 1st, 2019. **Motion made by M. Murphy. Second, D. Swanson. Motion approved.**

- The franchise fee and PEG fee audits of Comcast are underway.
- The quarterly meeting with CenturyLink took place on May 23rd, 2018. CenturyLink is no longer promoting the PRISM TV service and does not intend to renew the franchise agreement.

OLD BUSINESS

- There was no old business.

NEW BUSINESS

- The July and August meetings should be canceled. The August meeting can be rescheduled if necessary.

MOTION: To cancel the July and August Executive Committee and full Commission meetings. **Motion made by D. Stoesz. Second, C. Hansen. Motion approved.**

ADJOURN

Motion to adjourn made by C. Hansen. Second, M. Murphy. Motion approved. The meeting was adjourned at 6:37 p.m.

2019 North Metro Telecommunications Commission

Budget

Talking Points

Overall Organizational Goals

- Expand accessibility of City channels by providing live streaming of channels, 24-hours-a-day, via the City and North Metro TV websites.
- Encourage the transition of all member Cities to HD.
- Upgrade the City channels to HD on the Comcast system.
- Proceed with the franchise renewal process. Conduct needs assessments and craft a franchise document.
- Develop drone/video service.
- Monitor effects of economic pressures and cord cutting on cable subscriber levels.
- Produce high quality channel and web friendly programming that can be viewed using any device.
- Develop an OTT community programming service.
- Provide program playback, video transport, channel management services, video equipment maintenance and consulting services, internet streaming services for City channels, VOD libraries for meetings, meeting management software licenses and bookmarking services, program production and event coverage services, and public access to television production for our cities, schools and general public.

Estimated Fund Balance/Revenues/Expenses

- The beginning fund balances for 2019 are estimates based on previous allocations, planned spending for 2018, and estimated income.
- Estimated revenues include: Franchise fees based on the actual first quarter franchise fee payment. PEG fees are based on the actual first quarter PEG fee payment. Other income includes dub fees, home movie transfers, drone and production services. Interest income is estimated based on the first quarter interest earnings of this year.
- Estimated expenditures include the operating expenses, capital expenses, the bond payment and the franchise fee payment to the cities. Franchise fees back to cities are budgeted at \$400,000. This is the same amount as last year.
- The year end fund balances include:
 - The **Operating reserve** at 25% of the operating budget.
 - **Accrued vacation, sick and comp** time. The total value of owed vacation, sick, and comp time to employees.
 - The **Capital equipment fund** is intended for emergency replacement of unplanned equipment failures.

- The **truck replacement fund** was used to purchase studio sets in 2017. The funds were not needed for a new production truck, as the truck was replaced as part of the HD upgrade with bond funds. A small amount is in this reserve in the event the fleet vehicle requires replacing.
- The **building repair fund** is to cover major costs related to the building such as windows, roof, furnace, parking lot, AC replacement and painting, carpet replacement etc.
- The **bond reserve** is currently closed out, as the building was paid off in 2015.
- The **franchise renewal fund** is a reserve fund for the NMTC's franchise renewal process. Franchise renewal can be very expensive, with the informal negotiation process costing around \$200,000 across a three year period. Moving to a formal negotiation process is more expensive. These costs include needs assessments, consulting, and legal fees. It is anticipated that up to \$100,000 of these funds could be utilized in 2019.

Budget

- The recommended operating budget for the organization totals \$1,305,578. This number represents a \$13,525 increase over last year's operating budget. While there were some reductions in anticipated administrative expenditures, building maintenance and utilities line-items were increased, along with personnel costs.
- Budgeted capital purchases for 2019 are set at \$450,615. A little over half of this amount is dedicated to the HD bond payment of \$230,475. Budgeted capital items for 2019 include Makito X HD video transport systems for two Cities, Tightrope streaming servers and related equipment for six Cities, a wireless microphone system for Studio A, field cameras, and the annual maintenance/support contracts for City and NMTV Tightrope, Ross, Haivision and Carousel equipment. The total amount budgeted for video equipment replacement/support is \$187,640. The capital budget also includes routine computer/software upgrades, software licenses and money for parking lot repairs and re-striping.
- Franchise fees paid to the cities are budgeted at \$400,000. This is the same as last year.

Closing Points

- We have created a thriving and dynamic service for our cities, schools, producers, and viewers. Through program playback and channel management, internet streaming of city meetings including an agenda bookmarking tool, video equipment consulting, drone services, and video production services, our cities are seeing real benefits from their investment of franchise fees and PEG fees. Our cable subscribers are benefiting from this investment with educational opportunities, tape and film transfer services, and varied, informative and interesting programming regarding their communities.

- We are taking important steps to remain relevant in a media viewing world that expects high quality programming provided in a format that can be utilized on any device, and can also be accessed via the internet.
- 2019 will be a pivotal year for the Commission, as Cities expand accessibility to their channels through 24/7 streaming services, and franchise renewal moves forward.

North Metro Telecommunications Commission
2019 FINANCIAL SUMMARY
Estimated Fund Balances/Revenues/Expenditures.

BEGINNING FUND BALANCES

Operating Reserve	\$323,013
Accrued Vac, Sick, Comp	\$121,000
Capital Equip. Fund	\$249,426
Truck Replacement Fund	\$35,000
Bldg Repair Reserve	\$180,000
Franchise Renewal Fund	\$250,000
Bond Reserve	\$0

TOTAL: \$1,158,439

ESTIMATED REVENUES

Franchise Fees	\$1,220,000
PEG Fees	\$755,000
Other Income	\$25,000
Interest Income	\$25,000
Income From Reserve Funds	\$100,000

TOTAL: \$2,125,000

ESTIMATED EXPENDITURES

Operating Expenses	\$1,305,578
Capital Expenses: Equipment	\$187,640
Capital Expenses: Bond Payment	\$230,475
Franchise Fees Back to Cities	\$400,000

TOTAL: \$2,123,693

YEAR END FUND BALANCES

		Increase(Decrease)
Operating Reserve	\$323,013	\$0
Accrued Vac, Sick, Comp	\$121,000	\$0
Capital Equip. Fund	\$249,426	\$0
Truck Replacement Fund	\$35,000	\$0
Bldg Repair Reserve	\$180,000	\$0
Franchise Renewal Fund	\$151,307	-\$98,693
Bond Reserve	\$0	\$0

TOTAL: \$1,059,746 -\$98,693

North Metro Telecommunications Commission Budget Line Item Supporting Information

Personnel

- The personnel total increased by \$20,812. The increase is the result of an up-to 2.75% cost of living adjustment and step increases for three employees. The 2.75% COLA is based on the percentage Member Cities will be using in 2019.
- The part-time assistants are divided into two groups. Employees in the largest group are contracted when needed for a shoot, and generally do not work enough to qualify for PERA. The second part-time designation is for two 20 hour per week positions that do qualify for PERA. Neither category is eligible for health benefits. Payroll taxes apply.

Benefits

- The NMTC employee benefits package is based on the benefits packages offered by the Member Cities to their employees. It is budgeted at \$1,145.00. This is a \$30 per employee, per month increase over the previous year. This amount is less than the average of Member City package values. The average was determined by utilizing the most recent information provided by Member Cities. The benefits line-item increased by \$7,113 over the 2018 budget.
- The NMTC's contribution to PERA will remain at 7.5% in 2019.

Administrative Expenses

- Budgeted administrative expenses are \$28,000 less than 2018. The decrease is due to a reduction in franchise renewal related expenses. It is anticipated that there will be no need to conduct a technical audit of Comcast. In 2018, money was budgeted for the franchise and PEG fee audits. Consultant fees were budgeted at the same amount as 2018, and there is a slight reduction in budgeted legal fees. Money from the franchise renewal reserve fund is included in the income estimate for 2019, to cover franchise related costs.
- Tuition and training expenses comply with the revised employee handbook designating \$500 per employee per year for training purposes and to cover the expenses for IT staff's Microsoft certification classes and other equipment certification renewals.

Production Expenses

- Budgeted production expenses remain the same as expenses for 2018. It is anticipated that maintenance costs will remain low on the two vehicles. The advertising line-item covers ads, postcards, billboards, and receipt tape coupons. Promotions for home movie transfers, drone services, and targeted programming such as the live election night coverage are planned.
- All other production expenses remain near the 2018 level.

Office Expenses

- Office expenses are budgeted \$14,400 higher than the 2018 level.
- The building maintenance line-item was increased by \$10,000. With the building and property ageing, more costly maintenance issues may arise. Building maintenance includes the furnace/AC maintenance contract, lawn care, snow removal, carpet and window cleaning, fire inspection, and landscaping and building mechanical services.
- The building utilities line item was increased by \$5,000. Actual costs for 2017 were higher than anticipated, so the line item has been increased to insure adequate funding for paying bills. Building utilities include sewer, water, gas, and electric.
- Insurance includes all property, liability, crime, volunteer, vehicle, and monument sign coverage.
- Office supply line item includes all office supplies, and maintenance contracts on printers and copiers.
- The Telephone/Internet/Web Hosting line-item remains the same as the 2018 budget. This line-item was increased in 2018 to cover data transport for City video and data. NMTV continues to pay a fee to house video-on-demand content on a remote server. This allows for unlimited simultaneous viewing, without a reduction in speed. The line-item also covers the wireless live transmission of sporting events and other field productions. The website maintenance contract, web hosting, telephone costs, and the annual phone software upgrade are also included.
- Postage covers the cost of mailing dubs and equipment for contract maintenance, and other postage for the NMTC.
- Property tax is for the recycling assessment.
- Building cleaning, trash, recycling, and hazardous material disposal/recycling.

Capital Expenditures

- The 2019 capital budget is set at \$450,615. Over half of this amount is dedicated to the HD bond payment of \$230,475. Capital items for 2019 include Makito X transport systems for two Cities, Tightrope streaming servers and related equipment for six Cities, replacement of Studio A's wireless microphone system (the government has reallocated the frequencies NMTV currently uses so new mics are required), two new tripod systems for the production truck (only three new systems were purchased during the upgrade, to save money, and the two old systems no longer function well) field cameras, and the annual maintenance/support/insurance contracts for City and NMTV Tightrope, Ross, Haivision and Carousel equipment. The 2019 capital equipment budget is set at \$187,640.
- Office equipment includes routine computer and software upgrades, and software licenses for office and editing computers
- Parking lot repairs and re-striping.

Summary

- Operating expenses have been budgeted at \$13,525 more than in 2018. There were reductions in the anticipated administrative expenses, but increase in building and personnel costs.

- Capital costs are \$41,468 higher than last year. The majority of the capital budget is for the bond payment, streaming servers and Makito X transport equipment for Cities, and maintenance and support contracts for equipment. Other expenditures include a wireless mic system for Studio A, two tripod systems for the truck, and some field equipment. The office computer and software line-item remains at \$28,000. Money was included for parking lot repairs and re-stripping. The bond payment is set at \$230,475.
- Franchise fees back to Cities are budgeted at \$400,000. This is the same as last year.
- The overall 2019 budget is \$54,993 higher than the 2018 budget. The increase is primarily in capital expenditures. This is a 3.23% increase.

2019 North Metro Telecommunications Commission Budget

[illegible]

2019

North Metro Telecommunications Commission Budget

[illegible]

2019
North Metro Telecommunications Commission Budget

	2017 ACTUAL	2018 BUDGET		2019 BUDGET	NOTES
		Budget	April Act.		
CAPITAL EXPENDITURES					
Video Equipment	236,173	151,932	65,906	187,640	City streaming servers, Makitos, studio mics
Computer/Office Equipment/Sftwre	26,273	28,000	4,865	28,000	office systems, software licenses
Vehicles	0	0	0	0	
Building Expenditures	0	0	0	4,500	Parking Lot Repairs/Re-stripe
Bond Payment	227,850	229,215	0	230,475	HD Upgrade
CAPITAL EXP. TOTAL:	490,296	409,147	70,771	450,615	
GRAND TOTAL:	1,525,006	1,701,200	480,918	1,756,193	

North Metro TV 2019 Equipment Budget

Master Control Service & Subscriptions

ID No.	Model No.	Make	Description	Qty	Cost	Total
2019-1	CBL-REFLECT-BND	Tightrope	Reflect Live & VOD Services Annual Cloud Based Reflection Service Plan	1	2500	2500
2019-2	CBL-CG330-SDI-HA	Tightrope	Tightrope Hardware Assurance for Flex 4 16TB (SN: 0055767, 768, 769, 770, 771, 772)	6	1000	6000
2019-3	CBL-SAS-CH-1YR	Tightrope	Cablecast Software Assurance per Channel 1-Year	17	500	8500
2019-4	CBL-VOD-PRO-BOX	Tightrope	VOD / PRO Tightrope Hardware & Service Contract	1	1200	1200
2019-5	Ross Equipment Support	Ross	Ross Service Contract Quote AAAQ39244 - NMTV All Equipment	1	16000	16000
2019-6	Imagine Equipment Support	Imagine Communication	Imagine Contract for Router, Encoder & Router Panels	1	10000	10000
2019-7	Haivision Equipment Support	Haivision	5 Haivision Makito X Encoders & 4 Haivision Makito X Decoders	9	700	6300
2019-8	K2-ESA-1YR	Grass Valley	Dyno Service Contract	1	7500	7500
						58000.00

Master Control Equipment

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2019-13	Livestream Server	Tightrope	Cablecast 340 Livestream Server	6	2750	16500
2019-14	Livestream Server	Tightrope	Cablecast 340 Livestream Server Hardware, maintenance / service for years 4 & 5	2	560	1120
2019-15	CBL-REFLECT-BND	Tightrope	Cablecast Live Stream Server Subscription - Add another 3-Channel Reflect Service	2	2200	4400
2019-16		Bizzweb	Website Integration City for Live Stream Channels	6	1500	9000
2019-17	B-292D-HD2	Haivision	Makito X Decoder	1	5000	5000
2019-18	H.264 Encoder	Haivision	Makito X Encoder	2	5750	11500
2019-19	M-PREM-SUPP-1	Haivision	Premium Maintenance & Support 1-Year	3	700	2100
2019-20	10319	Monoprice	3G SDI 2x1 Switch	2	100	200
2019-21	LS423	Brightsign	Standard I/O Player	2	400	800
2019-22	HA5-PLUS	AJA	HDMI to SDI Mini-Converter	2	500	1000
2019-23	SFS-8622-A-R2A	Ross	A/V Frame Synchronizer with Audio Embedding / De-Embedding	2	1500	3000
2019-24			Log Me In Subscription	1	1200	1200
						55820.00

Control Room/Studio A

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2019-30	UA846Z2GLX-D	Shure	Frequency Manager	2	800	1600
2019-31	PA805Z2-RSMAP	Shure	Passive Directional Antenna	2	350	700
2019-32	UA8100-RSMA100	Shure	Reverse SMA Cable for GLX-D Digital Wireless System	2	350	700
2019-33	GLXD124R/85	Shure	Handheld & Lav Combo System	2	1100	2200
2019-34	GLXD14R/85	Shure	Handheld & Lav Combo System	7	850	5950
2019-35	UA505-RSMAP	Shure	Paintable Wall Mount	2	60	120
						11270

Control Room/Studio B

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
						0

Production Truck

ID No.	Model No.	Make	Description	Qty	Unit Price	Total
2019-40	Pearl 2	Epiphan	Streaming & Encoding Device	0	7500	0
2019-41.1	ULXD	UXLD1	Body Pack Wireless Transmitter	0	600	0
2019-41.2	ULXD	UXLD2/B58	Wireless Stick Mic	0	700	0
2019-41.3	ULXD	UXLD4Q	Wireless Quad Receiver	0	5500	0
2019-41.4	Sennheiser	EW 300-2 IEM G3	Wireless IEB System	0	1500	0
2019-41.5	Z Systems	Custom	Custom Wireless Box featuring IEB & Mics + Install	0	2000	0
2019-42.1	CP2M	Vinten	Vinten 250 Tripod System with Heads	2	13000	26000
2019-42.2	Parts	Vinten	Vinten 250 Parts	1	3000	3000
2019-43	SS-CDR250N	Tascam	Digital Media Player	0	1500	0

NORTH METRO FRANCHISE FEE HISTORY

[illegible]

**NORTH METRO TELECOMMUNICATIONS COMMISSION
UNAPPROVED OPERATIONS COMMITTEE MEETING NOTES**

Tuesday, June 5, 2018

CALL TO ORDER

The meeting began at 10:35 a.m.

MEMBERS PRESENT

B. Petracek, D. Buchholtz, J. Karlson, D. Krueger, C. Arneson, M. Statz

MEMBERS ABSENT

P. Antonen

OTHERS PRESENT

H. Arnson

APPROVAL OF MEETING NOTES

The meeting notes of May 1, 2018 were approved by consensus.

EXECUTIVE DIRECTOR REPORT

- The recommended 2019 budget was reviewed. Goals for 2019 include expanding accessibility of City channels by providing live streaming of channels 24-hours-a day, transitioning all Cities to HD, obtaining an HD City channel from Comcast, creating OTT apps for community programming, and continuing with the franchise renewal. Operating expenses were budgeted at \$13,525 more than the 2018 budget. There were reductions in anticipated administrative expenses, but increases in building and personnel costs. The personnel budget includes an up to 2.75% COLA increase and step increases for three employees. Benefits were budgeted at \$1,145 per employee, based on benefits packages provided by Cities to their employees. Capital expenses are budgeted at \$450,615. A little over half of the capital budget is dedicated to the bond payment of \$230,475, for the HD upgrade. Other capital expenditures recommended for 2019 include streaming servers and Makito X transport equipment for Cities, maintenance and support contracts for equipment, a wireless microphone system for Studio A, two tripod systems for the truck, and some field equipment. Annual computer upgrades, software licenses, and music licenses are also included in the capital budget, along with money for some parking lot repairs. Franchise fees returned to Cities have been budgeted at \$400,000. This is the same amount as last year. The Operations Committee recommends that the Cable Commission approve the 2019 NMTC budget as prepared.
- The Committee discussed increasing the PEG fee in 2019. According to the Memorandum of Understanding the PEG fee can be increased by the average CPI, as recorded by the Bureau of Labor Statistics, for the previous year. That would amount to a 2.1% increase, or 7 cents per subscriber per month. Discussion included disliking raising rates to the need to keep up with inflation. The Operations Committee recommends that the Cable Commission approve raising the PEG fee by 7 cents as of January 1st, 2109.
- The franchise and PEG fee audits of Comcast are underway. Requests for quarterly data have been responded to by staff, and a non-disclosure agreement has been sent to Comcast by the consultant.
- The quarterly meeting with CenturyLink took place on May 23rd, 2018. CenturyLink is no longer promoting the PRISM service and does not intend to renew the franchise
-

agreement. There doesn't seem to be a need to continue arranging quarterly meetings to review the company's progress.

OLD BUSINESS

- There was no old business.

NEW BUSINESS

- The July and August meetings were canceled. If necessary, the August meeting can be rescheduled.

ADJOURNMENT

The meeting was adjourned at 11:28 a.m.

AT&T's Time Warner merger kicks off a new era of streaming-video monopolies

Batman and Harry Potter now belong to the world's largest telecom

By [Russell Brandom@russellbrandom](mailto:Russell.Brandon@russellbrandom) Jun 12, 2018, 5:47pm EDT

[Share](#)

Illustration by Alex Castro / The Verge

Today, [the US District Court for the District of Columbia](#) cleared the way for the world's largest telecom to buy the world's third-largest entertainment company, kicking off a new era in how content gets distributed online.

Pending appeal, AT&T will now be able to purchase Time Warner for \$85 billion, bringing subsidiaries like CNN, HBO, and Warner Bros. movie studios along for the ride. Before today, AT&T's holdings were mostly confined to distributing information, either through wireline internet, wireless phone service, or broadcast satellite TV. Now, it will own a major stake in some of the largest companies producing that content, with major implications for anyone trying to stream video online.

The ruling will have an immediate effect on some of AT&T's cable competitors, too. On Monday, [CNBC reported](#) that Comcast was preparing to bid for 21st Century Fox if the AT&T deal went through, playing off a more permissive judicial atmosphere for major content acquisitions. Disney has already bid for the studio, and it's still unclear which company will actually end up owning it, but the overall point is hard to miss. After Verizon bought AOL and Comcast bought NBCUniversal, carriers are very much in the content business. The only question is how they're planning to press their new advantage.

Hollywood's output is increasingly in the hands of Disney, Comcast, and AT&T

The gutting of net neutrality, which [became official earlier this week](#), makes this kind of consolidation a lot scarier. AT&T already controls DirecTV and offers a zero-rating deal for AT&T Wireless customers who want to stream DirecTV content directly to their device without hitting data caps. With no restrictions on throttling or paid prioritization, those deals can get broader and more aggressive over time. The rollout of the new rules will be slow, but if you're already buying cable, internet, and phone service from AT&T or Verizon, you may find it harder to resist their streaming offerings in the years to come.

While the net neutrality issues are well-known, there's less focus on the content side of the equation, which has been particularly affected by the latest round of pending acquisitions. The output of the conventional studio system is increasingly concentrated in the hands of a few megacorporations like Disney, Comcast, and AT&T. So while Netflix

and Amazon are dealing with the post-net-neutrality challenges of streaming video over someone else's network, they'll also have to worry about where they get the content itself. When Disney's long-planned streaming service launches next year, the company will stop licensing Marvel and Star Wars movies to Netflix and show them exclusively on its new service instead. If AT&T follows suit, the DC universe could end up tied to HBO Go or DirecTV. Studios and talent will start to line up behind their sister streaming services, and it will get harder and harder to break in.

Streaming offerings are aligning more closely with corporate holdings

Even three years ago, this would have been a disaster for Netflix and Amazon Prime, which relied on Hollywood for content, but they have been preparing for this. Both companies have moved aggressively toward in-house content, and they now bid side-by-side with the studios for new movies and shows. Notably, those deals have been vertically integrated from the beginning. No one's surprised to learn that they have to sign up for Netflix to watch *Stranger Things* or join Amazon Prime to watch *Transparent*.

We're still at the start of that process, but you can see it happening. Each month, there is a little less third-party content on each streaming service, and content offerings are aligned a little more closely with corporate holdings. The end result is a reincarnation of the classic studio system, with a class of conglomerate each controlling their own pipeline from talent to camera to screen. It's a very different vision of online video than the previous generation, where tech-focused companies could build a service based entirely on streaming tech. Now, that technology is just one link in a much longer chain, and the entire industry is reshaping itself in response.

Disclosure: Comcast Ventures and NBCUniversal are investors in Vox Media, The Verge's parent company.

June 13, 2018

Game Over

AT&T emerged victorious from its courtroom battle with the DOJ yesterday, winning a clear decision in support of its \$85 billion acquisition of Time Warner. To all those convinced this deal would never happen, I will try to refrain from saying ‘I told you so’ (oops) and instead focus on what the successful conclusion means for the future of TV.

A few thoughts....

1. The Big 4 Are Omnipresent If Not Yet Omnipotent.

On its face, this case was about competition in the pay-TV industry. What AT&T effectively argued, however, is that the relevant market is not pay-TV as a home service but video entertainment as a whole. Hey, isn’t that what TDG has been arguing for a decade now? Pretty much.

Anyway, the power of this argument, in the antitrust context at least, is that the real heavyweights in the global video market are not Dish Networks, Comcast, or any of the other legacy MVPDs. Instead, AT&T’s real competitors going forward are Apple, Amazon, Alphabet (Google) and Facebook, along with Netflix and (to a lesser extent) Microsoft.

These companies all have deep pockets, access to over a billion users (and the associated data), and a demonstrated commitment to create and deliver direct-to-consumer original video content on a worldwide basis without the need for a MVPD whatsoever. Regardless of the fact that the Big 4 don’t necessarily want to be in the traditional pay-TV business, their collective power is awesome in the true sense of that word, making the market power of a traditional player like AT&T look downright puny by comparison.

In the same way that the gravitational power of a black hole can literally bend light that comes within its ambit, I believe the threat of the Big 4 looming all around the parties to this case was powerful enough to bend traditional legal doctrine, causing AT&T to come out the winner, which brings us to our second point.

2. The Dumb Pipe Era is Over.

The broadband+pay-TV bundle has been and still is a very good business. For the large players at least, however, the era of the “Justas” (as in ‘Just a pay-TV provider’ or ‘Just a broadband provider’) is rapidly coming to an end. Comcast was obviously early to this party with its acquisition of Universal back in 2013. Verizon went its own direction, but still showed its desire to be more than a “dumb pipe” by acquiring Yahoo (now Oath) last year. AT&T started its transformation back in 2015 by acquiring DirecTV, but still lacked an original content play. The aforementioned Time Warner (read HBO) acquisition completes the set and clarifies the strategic choices for everyone in the space moving forward.

To wit, everyone now accepts that owning original content is a must-have, not a nice-to-have, which also helps explain why Disney and Comcast are about to have a death match over Fox Studios and Hulu. Expect other large players to follow suit, either building or acquiring their own studios and trying to match the big ecosystems show-for-show. For a current example of what this originals arms race looks like, check out *Fastest Car* (on Netflix), which is quite the homage to the success of Amazon's *The Grand Tour*. For those without the means or wherewithal to keep up, the future is looking a little bleak.

For the consumer, by contrast, the upshot is quite a bit more complicated. On the positive side, consumers increasingly get really high quality original content “for free” as a reward for their loyalty to a particular ecosystem. This is the Amazon Prime model writ large. On the negative side, everyone’s frenzy to create differentiated video entertainment offerings is rapidly resulting in, well, differentiated entertainment offerings. Meaning everybody ends up with something somewhat different, and there is no longer any easy (or cheap) way to get access to “everything” that’s out there in the video ecosystem.

Conclusion

Honest Abe Lincoln once said, “The best way to predict your future is to create it.” That’s exactly what AT&T has done here by turning itself into a media company, thereby altering its future and preventing the Big 4 from sucking all of the value out of their otherwise increasingly dumb pipes.

To the rest of the industry, it’s your move.

Joel Espelien is a Senior Advisor for TDG and an M&A advisor with the Corum Group, providing sell-side advice to technology companies worldwide. He lives near Seattle, WA.

With net neutrality gone and mergers galore, it's a new internet

The FCC's dissolution of net neutrality regulations took effect Monday. And a landmark court decision on Tuesday approved AT&T's merger with Time Warner, over the arguments of the Department of Justice.

Why it matters: Together, these events of the last 48 hours could shape the internet for years to come. They open a path to a network that could be quite different from the freewheeling one you grew up with or first got to know in the 1990s or 2000s.

Worst case: In this scenario, the giant companies that supply your internet access (AT&T, Verizon, Comcast, et al.) try to outflank the giant companies that provide most of your online content and services (Google, Facebook, Apple et al.) — and consumers lose out.

- Service providers could leverage their access to user data to target ads more efficiently, favor content and services they own over competitors, and then raise prices on customers who don't have alternative options.
- Startups have a harder time breaking in, users have a harder time switching services, and everyone ends up spending more money.
- With the FCC's net neutrality rules gone, the FTC can intervene to address some anticompetitive behavior. But progressives and net neutrality activists worry it isn't equipped to effectively police the new internet dynamics.

Who owns what: Here's how much will be in the hands of three companies:

- AT&T will own its own cellular, home broadband and telecommunications services, along with Time Warner and DirecTV.
- Comcast owns its own cable TV, broadband and fledgling cell service along with NBC Universal.
- Verizon owns its own wired and wireless broadband, Fios TV service as well as AOL, Yahoo, HuffPo and other online brands.

Between the lines: The service providers all say they don't want to limit choice, and that they have no intention of blocking or prioritizing content. But the concern is that, once companies have vertical control over home internet and cable TV service, mobile data service, and multiple content sources, the temptation to pursue such strategies — once upon a time they were dubbed “synergies” — could be irresistible.

- The Justice Department's complaint against AT&T's purchase of Time Warner called out concerns that the deal would raise prices for cable TV subscribers and harm online innovation.
- As New York state attorney general candidate Zephyr Teachout tweeted Tuesday, “Common sense tells you that this degree of concentrated power isn't right. These

giant mergers tend to hurt workers and democracy, not just prices — they lessen the control of the little guy.”

But, but, but: The tech industry regularly experiences waves of mergers, and much of the time they flop. (See: Time Warner’s last world-changing hookup, with America Online in 2000.)

- Merger mania tends to build during overheated market peaks. The deal-making may keep accelerating — but the music could stop any time some combination of market exhaustion, international crisis or political instability gives investors a hangover.
- Paradoxically, it’s often in those eras of market retreat that the most important tech innovations appear on the horizon — like the Web 2.0 innovators and Google in the early 2000s, or Apple’s iPhone during the great recession of 2007.
- Daniel Lyons, associate professor at Boston College Law School, made the case that most vertical mergers are pro-competitive. "AT&T told a compelling story about the need to integrate to fend off upstarts like Amazon and Netflix, which are themselves vertically integrated content providers," he said.

Bottom line: Most agree that the ruling in AT&T's favor will lead to new experiments with vertical integration by content providers and internet-delivery networks. While that's in part necessary for media companies to evolve and survive in an all-digital world, it likely will re-shape consumers' internet experience in the process.

Consumers Union on AT&T/Time-Warner: “When These Companies Get Bigger, They Don’t Get Better”

Tuesday, June 12, 2018

WASHINGTON, D.C. — A federal judge today approved the merger of AT&T and Time Warner, combining one of the largest wireless and video providers with one of the largest content producers. Today’s decision is expected to set off a spate of similar media mergers, with Comcast reportedly set to announce plans to purchase 21st Century Fox as soon as tomorrow.

Consumers Union, the advocacy division of Consumer Reports, shared the Department of Justice’s concerns that the deal could potentially hurt competition and limit consumer choice. Today’s ruling, according to the consumer group, will not only give AT&T an unprecedented hold over both premium content and distribution, but also further drive consolidation in a market already dominated by a few massive companies that continue to grow their power.

“Allowing these two giants to merge hands AT&T control of not only the largest distribution platform, but some of the most valuable content on television today. There is significant opportunity for AT&T to exploit the value of Time Warner’s content in ways that could hurt both consumers and competition alike. This merger, combined with the repeal of net neutrality protections earlier this week, is a big loss for consumers,” **said Jonathan Schwantes, senior policy counsel for Consumers Union.**

“Moreover, today’s decision might as well have pulled the trigger on the starting gun for the race to consolidate, with other huge, similar mergers on the horizon. Unfortunately, history has shown us that when these telecom companies get bigger, they don’t get better. Comcast’s reported bid to purchase 21st Century Fox is cause for consumer concern, especially as the company failed to live up to the conditions of its last mega-merger — and those conditions are set to expire later this year. Consumers are finally starting to see some competition in the video market, with new, innovative over-the-top streaming services. But today’s decision could effectively extinguish that trend, with consumers losing out on these innovative platforms who simply can’t compete with these massive companies without raising prices,” Schwantes added.

FCC Chairman Ajit Pai lays out his vision for an internet without net neutrality rules

By Marketplace staff

June 11, 2018 | 10:39 AM



FCC Chairman Ajit Pai, left, is interviewed by Marketplace host Kai Ryssdal on June 11. - Peter Balonon-Rosen/Marketplace

Today marks the official end of net neutrality rules. Put in place during the Obama administration, net neutrality rules prevented internet service providers from discriminating when it comes to content by slowing down the delivery of information for some content providers while speeding up others.

After a public comment period that generated over 22 million responses, protests in favor of keeping the rules and polls that showed public backing for net neutrality, the Federal Communication Commission voted along party lines to repeal the rules. FCC Chairman Ajit Pai, who led the effort, said at the time that "The main complaint consumers have about the internet is not and has never been that their internet service provider is blocking access to content. It's that they don't have access at all or enough competition. These regulations have taken us in the opposite direction from these consumer preferences."

Ahead of the FCC's vote to repeal net neutrality rules, internet service providers like Verizon and Comcast issued statements in support of the decision, while other tech companies like Netflix, Amazon and Reddit voiced their opposition to the FCC's decision.

Since then, a number of states have proposed legislation that would preserve net neutrality in their borders. In May, the Senate approved a resolution that would overturn the FCC's ruling, but the vote was largely symbolic as the House did not take up the measure.

Marketplace host Kai Ryssdal sat down with Pai to discuss the FCC's ruling and how it will play out for consumers.

The following is an edited transcript of their conversation.

Kai Ryssdal: So a funny thing happened this morning. I got up, turned on my computer, went online and the internet was still there.

Ajit Pai: It still works. It's going to be better than ever going forward.

Ryssdal: I'm not going to ask you why you want to do this because it's a classic "elections have consequences" story, right? You are now the chairman of the FCC. You were in dissent when Chairman [Tom] Wheeler instituted what was then called net neutrality. And now we have the open internet. What I want to know is what are you looking for to know whether your idea is working? How you gonna know?

Pai: First and foremost, we want to have a free and open internet going forward. I think that's something that everybody agrees with has produced tremendous consumer benefits over the years. And that is the sine qua non of internet regulation. Secondly, we want to see better, faster, cheaper internet services for consumers across the country, especially for those consumers who are on the wrong side of the digital divide. So we want to see more investment in infrastructure, the building blocks of these networks going up across the country. And when I talk to consumers, that is their No. 1 concern — we don't have access at all or there's insufficient competition. That is where we want to make our mark. Light-touch approach that started the Clinton administration produced tremendous benefits for consumers in terms of better, faster, cheaper networks. That's what we want to see going forward.

Ryssdal: Yeah, but give me a sense of timing, right, because what's going to happen here is not, as I said, that the internet is going to go away tomorrow. It's not going to slow down tomorrow. Companies are going to start charging fast lanes tomorrow. But there are things that will happen in a free and open market as you have now put into place, and I want to know what you're looking for.

Pai: I think, again, we're looking for a free and open internet with more infrastructure investment, more services being developed that ride over these networks, and ultimately, I think the proof is going to be in the pudding in terms of how consumers use the internet. You know, back in 1996, when President Clinton made the decision to have a market-based approach to regulating this new dynamic technology, I think a lot of people thought, "Well, why don't we regulate it like we did the slow-moving Ma Bell telephone monopoly or a water company or an electric company?" And he thought, and I think rightly, that we want to have a more market-based approach because these networks are very hard and expensive to build, especially in lower income or rural areas, and to have a more market-based approach provides the incentives for companies to build these networks, for other companies to innovate on top of those networks and for consumers to benefit from them.

Ryssdal: Here's the thing though, these companies, right — and let's be clear, we're talking about three or four big companies — I mean, you talk a lot in your speeches and your presentations, and you said at the time this rule was passed in December, you know, you're looking out for the small companies who want to get into this market, but the fact is there are three or four sort of quasi-monopolies here, right? They are big, they are for profit, they are not charities and they have certain incentives.

Pai: First, I would dispute that completely. There are thousands of internet service providers —

Ryssdal: Oh, come on, sir, really?

Pai: Absolutely. Two weeks ago, I was in Dahlonaga, Georgia, and I met a company that runs the Paladin Wireless in small-town Royston, Georgia. He told me himself that these regulations had made it, forced him to spend over a \$8,000 on compliance, and that's a number of different households in a place, small-town Georgia. A company called VTel in Vermont just submitted a letter to the Senate saying, "We are now investing \$4 million in upgrading our 4G LTE service around Vermont, upgrading our fiber service because of these new regulatory approaches."

Ryssdal: So here's some other company names: AT&T, Comcast, Spectrum, right? Those are the giants. Those are the ones who have the infrastructure in place. Those are the ones who in theory will benefit from this lighter touch that you say you want. How do you respond to critics who say, "Look, you're doing this for the big ones."

Pai: Two different points. No. 1, going forward, the FTC, the Federal Trade Commission, is empowered to take targeted action against any company in the internet economy that behaves in an anti-competitive way. Secondly —

Ryssdal: Wait, let's take them one by one, because the Federal Trade Commission, while they're lovely people and hard-serving civil servants and we appreciate all they do, they are overworked, they focus not solely on telecommunications and the injury has to happen first and then they can fix it after the fact.

Pai: That's completely untrue. Chairman [Joseph] Simons the new chairman of the FTC, recently testified before the Senate, and he said they would aggressively use their Section 5 authority to take action against any unfair deceptive trade practice or any unfair method of competition.

Ryssdal: But still you leave it to the consumer to bring the complaint.

Pai: No, that's not true. The FTC can and has taken action, enforcement action against companies on its own.

Ryssdal: OK. To your second point. Go ahead. I interrupted.

Pai: The second point is, again, the complaint that consumers have about the internet is that there's not enough access and competition. Having these heavy-handed regulations squeezes out the smaller companies that are necessary to provide a more competitive marketplace. Those big companies you mentioned are not going to invest in places like Royston, Georgia, or small-town Vermont or the Rosebud Sioux Reservation in South Dakota. I've visited these places, and I know that the business case is hard. We need to incentivize the smaller companies to provide a competitive alternative. You can't do that with these heavy-handed regulations.

Ryssdal: The company in Dahlonaga, Georgia, though, sir, is not competing with AT&T, right, because AT&T's not in that space because there's no market for it.

Pai: So in that case, it's the question of who's going to provide access. In the bigger markets, for example, where AT&T and Comcast are competing, how do you want incentivize more competition? And I would argue the utility-style regulations are the last thing that are going to incentivize a new company to say, "You know what, let's raise the capital and build these networks even though it's more heavily regulated."

Ryssdal: Since you mentioned it — and I don't want to get too wonky here in Title I and Title II and what's an information service and what's a utility— but one of the things you have done is to take internet service providers out of what is called Title II, right, which lets you regulate them as utilities, and put them back in Title I, which lets them be regulated as information providers, information services.

Pai: Correct.

Ryssdal: The internet of today is not the internet of 1996, to which you very frequently refer, right? You just did it at the beginning of this interview. It is the backbone of this economy. It is that thing without which nothing else can happen. It is like turning on the lights. Why should it not be regulated in that way?

Pai: From 1996 until 2015, we had a light-touch approach under Democratic and Republican administrations.

Ryssdal: Sorry, let me interrupt you again because you do have a tendency to go item one, item two, item three, and I don't want to let things blow by. On that phrase "light touch," you use light touch, Chairman Wheeler, your predecessor, used light touch. So can we just agree that it's a matter of perspective on what's a light touch and what's not?

Pai: In this case, I don't think we can because there is no — under Title II, utility-style regulation, there is no such thing as a light touch, treating everything like a common carrier, heavily regulating it under 1934 rules that were designed for the telephone monopoly of Ma Bell. The entire purpose of Title II was to put the government, not technologists and engineers and businessmen, at the center of how this new technology was supposed to operate.

Ryssdal: But if the internet is like turning on the lights, why should not be regulated like a utility?

Pai: Because internet networks are very hard and expensive to build. It is not something, for example, that you can simply raise money by going to the bank and saying, “Hey, I want to build an internet network.” It's very high, upfront capital expenditures, requires a lot of money to maintain and improve these networks. Moreover, the way we use the internet is very different. It's not like water or electricity, where we're using generally a consistent amount of it from year to year. Internet traffic is exploding. And accordingly the networks need to expand to take advantage of, to be able to accommodate all that increased traffic. And again, networks don't have to be built, capital doesn't have to be raised, risks don't have to be taken, crews don't have to be hired to lay fiber lines and to build wireless networks and the like. And so the heavier the regulatory burden is, the less likely it is that companies big and small are going to take the risk to build these networks. And so going forward, we obviously recognize that the internet is increasingly essential in American life — everything from telemedicine to educating kids to starting a business. But those networks have to be able to expand to accommodate this increasing traffic. And the argument is utility-style regulation was not designed for that kind of internet economy. It was designed for a slow-moving monopoly that essentially wasn't going to innovate. And that was the deal with Ma Bell in 1934. We'll give you the monopoly. We'll just heavily regulate you. And as a result, we didn't see a lot of competition and innovation in the telephone networks for many years.

Ryssdal: I think a lot of observers, most observers probably, will say, “Look, we're not going to have these internet service providers blocking traffic. That would be a semi-suicidal business model.” Right? But they will, because the ability to price discriminate is the definition of competition, they will almost certainly offer packages and bundles where you can get paid prioritization and those other things that come with more money and more profit. If you see that happening, will you intervene?

Pai: So both at the FCC, we have a robust transparency rule. They would have to disclose any business practice like that.

Ryssdal: Sorry, when you say robust transparency rule, you mean like a privacy terms of service or a cell phone bill that's 42 pages long in pica type?

Pai: No, not at all. In fact, they have to disclose on their own publicly accessible website and or at the FCC website in plain English a list of the business practices that they're engaging in in terms of how they manage their networks and the like. And on the back end of the Federal Trade Commission, again the FTC is expressly empowered and under the current chairman has expressed — sorry, go ahead.

Ryssdal: No, no, no. Go ahead.

Pai: They will take targeted action against any company that behaves in any potentially anti-competitive way.

Ryssdal: OK, but if a company says in its terms of service and makes it transparent both to the FCC and to the Federal Trade Commission, "Look, we're going to do this," what's the consumer's recourse other than to pay more money?

Pai: So several different aspects of it. For example, if it's a wireless company that does that, consumers have the ability to switch there are four national providers or regional providers. Secondly, the public scrutiny would be tremendous. I'm quite confident that Marketplace would be more than happy to target any company saying, "Look, they are engaging in something that we think is bad for consumers." Additionally, that would signal to the Federal Trade Commission here's a potentially unfair deceptive trade practice, we might want to take a look at this.

Ryssdal: Let me drill down on that, because I don't, if they say it in their materials and they posted online, it's not a deceptive trade practice. They're saying, "Listen, you want this service? You got to pay ten bucks more a month."

Pai: No, not at all. So there are potentially Section 5 FTC authority. The FTC has the ability to go after unfair trade practices or unfair methods of competition. And so again, if consumers are being harmed, if a company is acting in an anti-competitive way, that's exactly what the FTC is empowered to take action on.

Ryssdal: I don't want to make this about you. But I think it's important here to talk about the level of animosity and vitriol that this decision has resulted in millions and millions of comments and pages and op eds and all kinds of things. But I think it's important to get on the record that you personally have been threatened, death threats. You've canceled public appearances. And I just want to get your response to that on the record.

Pai: I just think it's disgusting. The one thing that is distinctive about America historically has been the fact that we are all able to engage in public discourse without the political becoming personal. And that is one of the unfortunate aspects of this debate I think is that people are less willing to look at the facts and agree that there are reasonable differences of opinion on this and they're willing to go beyond, I think, what I think the limits of civil discourse in this country should be. And I hope it would change, but nonetheless that is where we are.

Ryssdal: I mention that because this is not a popular decision. Millions of people have written in opposition to it. Public opinion polling shows most Americans favor net neutrality, not your open internet rule. And I wonder why you're doing this then? If public opinion is against you, what are you doing?

Pai: First of all, public opinion is not against us. If you look at some of the polls —

Ryssdal: No, it is, sir, come on.

Pai: If you look at some of the polling, if you dig down and see how these polls were constructed, it was clearly designed to reach a particular result. But even beyond that —

Ryssdal: It's not just one, there are many surveys, sir.

Pai: The FCC's job is not to put a finger in the wind and decide which way the winds are blowing, it's to look at the facts and make a sober judgment based on what the law is. And that is exactly what we've done here. Moreover, the long-term interest is in building better, faster, cheaper internet access. That is what consumers say when I travel around the country, and I've have spoken to consumers in Los Angeles to the reservation in South Dakota, places like Dahlenega, Georgia. That is what is on consumers' minds. That is what this regulatory framework is going to deliver.

Ryssdal: Let me get away from the public, then, to the politicians. The Senate, as you know, has used its prerogative to pass an act to repeal your repeal of net neutrality, if we can get a lot more complicated, the House has not, and the president would have to sign it. Several states have passed their own versions of net neutrality. California among them, the most populous state. Why not, since this is a case of such public interest, let the legislative process do it?

Pai: This is an argument I made in 2014 when the D.C. Circuit Court of Appeals issued its decision. I said, "Look we need to turn to Congress —"

Ryssdal: In a prior case by Chairman Wheeler on the FCC in which they said, "No, you can't do what you want to do."

Pai: Correct. And so that was the argument I made, that Congress should update the rules of the digital era so to speak and tell the FCC, tell the American public how do you want to regulate this thing called the internet? So the FCC, having disregarded that admonition back in 2015, it was up to us to restore the light-touch approach that started, that served us pretty well for 20 years. And now if Congress decides to take a different approach, that's entirely up to Congress. I defer to our elected officials to say what the law should be.

Ryssdal: And yet, if I remember the rule from December correctly, you prevented states from passing their own net neutrality statutes.

Pai: So the internet is inherently an interstate service. If I send an email to you right now in this very room, the chances are that it traverses state boundaries. That is something that inherently has to be regulated by the federal government and the federal government having decided under this administration to have a more market-based deregulatory approach. You can't have a patchwork of 50 different states and any number of local jurisdictions taking a different bite of the regulatory apple, otherwise it's a recipe for chaos.

Ryssdal: Let me get you back to how you're going to keep an eye on this thing because it's what's going to happen is going to happen over time. Right. As we said it's not going to happen tomorrow it's going to happen over over over years probably. Is there a threshold at which you will step in and say "can't do that?"

Pai: Again with the transparency rule to be enforced starting today, June 11th and going forward we want to make sure that both at the FCC and the FTC that consumers are protected from any anti-competitive behaviour of whatever kind emerges in the internet economy.

Ryssdal: You and your Republican colleagues on the Federal Communications Commission have overturned a decision that Chairman Wheeler and his Democratic colleagues on the Federal Communications Commission made in 2015. First of all your thoughts on the partisan nature of telecommunications policy in this country.

Pai: It's unfortunate because I think at the end of the day there's actually a lot of consensus on this issue that the polling we described earlier obscures a lot of people don't understand net neutrality the core workings of Title I versus Title II.

Ryssdal: It's crazy complicated and boring.

Pai: What they do understand and what I agree with, I think Democrats and Republicans in Congress would even agree with, we all have an interest in getting everyone internet access. We all have an interest in an open internet. And I think there's a lot of things the FCC is doing in terms of getting more federal subsidies to unserved areas, bringing more competition to areas by introducing satellite and wireless competition. That is where we can all agree on. But unfortunately I would agree that in on this issue in particular there's been more politicization that has been a frankly a distraction from our common goals here.

Ryssdal: As a follow on then how concerned are you that in 2020 or 2024 or 2028, whenever the political tide turns, this rule will be overturned by a Democratically controlled Federal Communications Commission and then businesses will throw up their hands and go "You guys make up your mind you're talking about uncertainty in telecommunications policy and we want to invest billions of dollars."

Pai: That is up to a future FCC, but I think it also underscores the importance of Congress in a bipartisan way putting principles of an open internet on the page. Ultimately, we don't want to have this kind of regulatory ping pong back and forth, we want to provide certainty to consumers and to companies that build on the reliance of what the rules are going to be. And so I think ultimately, that is the solution is for a bipartisan approach that allows us to find that common ground and then let's focus on getting more access and competition to everyone in this country.

Ryssdal: Let's say this sticks, that Ajit Pai goes down in history as the guy who gave us the internet as we know it 50 years from now, 25. What does broadband look like in this country? Because let's not talk about the internet, the amorphous thing, right? Let's talk about broadband access and capability in this country. What does it look like?

Pai: I think it's going to look, well, first I think the U.S. is going to have a leadership role in terms of promoting innovation and investment in the internet economy. As we enter

the 5G era, the next generation of wireless connectivity, as we look at massive fiber deployment that's necessary to support these new applications like virtual reality and augmented reality, we are going to have to have a regulatory framework that promotes network investment, and that is exactly what our networks, our regulatory approach is designed to do.

Ryssdal: OK, so here comes the poke in the eye on the way out the door. What if you're wrong?

Pai: Then it's up to regulators and elected office holders to make the appropriate decision but I would turn it around and say what evidence would be necessary for the fear mongers who've proclaimed that the end of the internet as we know it, what evidence would it be necessary for them to agree that our regulatory approach is the right one? I've got 20 years of history on my side. For those who have said this is the end of the internet starting today, what evidence would it be necessary for them to be able to concede you know maybe Ajit did have a point that we actually do want the internet networks to ramp up to accommodate this traffic. Is there anything that would persuade them and if not then we're obviously having more of a political debate as opposed to a policy one.