

**NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING**

May 15, 2019  
6:00 p.m.

**SPRING LAKE PARK CITY OFFICES  
1301 81<sup>st</sup> Avenue NE  
Spring Lake Park, Minnesota**

**AGENDA**

1. CALL TO ORDER/ROLL CALL
2. CONSENT AGENDA **pp. 1-10**
  - 2.1. Approval of the minutes of the regular meeting, April 17, 2019
  - 2.2. Approval of April financial reports and bill list
3. CITIZENS TO BE HEARD
4. NORTH METRO TV REPORT **pp. 11--18**
  - 4.1. Monthly update
5. REPORT OF EXECUTIVE COMMITTEE **pp. 19-28**
  - 5.1. CenturyLink Settlement Agreement
  - 5.2. City HD Channel
6. REPORT OF OPERATIONS COMMITTEE **pp. 29-30**
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. 31-50**
14. ADJOURN

# **NORTH METRO TELECOMMUNICATIONS COMMISSION**

## **UNAPPROVED MINUTES**

**Commission Meeting – April 17, 2019**

### **CALL TO ORDER**

Chair D. Stoesz 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, Mike Schweigert; Circle Pines, Matt Montain; Centerville, Dale Stoesz; Lino Lakes, Mike Murphy; Lexington

**Directors Absent:** Brian Kirkham; Ham Lake, Cindy Hansen; Spring Lake Park

**Others Present:** Heidi Arnson; Executive Director, Rose Valez; Admin. Asst., Mike Bradley; Legal Counsel, Greg Emmerich, CPA

**Comcast Rep:**

**CenturyLink Rep:**

### **CONSENT AGENDA**

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

The March 20, 2019 minutes, and the March bill list and financial reports were approved as presented. **Motion for approval made by M. Montain. Second, D. Swanson. Motion passed unanimously.**

### **CITIZENS TO BE HEARD**

None present.

### **2018 AUDIT PRESENTATION**

G. Emmerich, of Harrington, Langer and Associates, reviewed the 2018 North Metro Telecommunications Commission annual financial report. No abnormalities were found and the Commission is in a good financial position.

**MOTION:** To approve the 2018 North Metro Telecommunications Commission annual financial report as presented. **Motion for approval made by: D. Swanson. 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 March and April. Topics included:

- The Winter Sports Den Finale was produced live on March 25th. Student athletes from Blaine, Centennial, and Spring Lake Park High Schools were interviewed and highlights of hockey, basketball, wrestling, and gymnastics were featured.
- Instructor, Eric Houston, has created two new classes. The first is an eight week course on television screenwriting. The workshop offers something new and challenging to public access producers. The class is popular and a second series has been scheduled. The second new class is an addition to the traveling lecture series called At the Movies: The Birth of Sound, Color, and the Widescreen. It follows the changes in the film industry over the last sixty years and includes fun facts, pictures, and film clips.
- Municipal Producer, Trevor Scholl, is producing a new program series for cities called Get Connected With Anoka County. The intent of the program is to find an additional way to market city events to residents and businesses. Each episode will feature a different city.
- Special Events Coordinator, T.J. Tronson, is producing this year's version of Arrive Alive. The big mock crash scene will take place on April 23rd, followed by the presentation of the edited program to the entire school body on the 24th. T.J. will work all night to have the show ready for the presentation the day after the big shoot. This year, Centennial High School is the featured school.
- The cameras for the external building security system have been installed and are operational.

### **REPORT OF EXECUTIVE COMMITTEE/OPERATIONS COMMITTEE**

D. Swanson reported on the following items:

- Work is being done to provide OTT services for all NMTV streaming channels. Viewers will be able to stream local channels, and watch video on demand, via Roku and Apple TV by late June. Staff needs to create a web interface for each channel, verify network security, and complete a Tightrope System software upgrade before launching the channels. The upgrade is scheduled for late May/early June.
- The kick-off franchise renewal meeting has been rescheduled for mid April.

### **REPORT OF LEGAL COUNSEL**

M. Bradley reported on the following items:

- A franchise renewal meeting with Comcast is set for April 18th.
- The franchise fee audit of Comcast, being performed as part of the franchise renewal process, is still underway. It has taken a bit longer than anticipated, but the Commission can expect a report in the next 60 days.
- The CenturyLink settlement agreement regarding alleged build-out violations and franchise renewal is nearly done. The agreement will provide an orderly departure for CenturyLink from the video marketplace and state that CenturyLink waives rights to franchise renewal. The final agreement should be ready for the May meetings. S. Stoesz inquired as to whether providing a guide for alternative video companies/sources to subscribers should be included in the agreement.
- A franchise fee review of CenturyLink has been undertaken. The review shows, and CenturyLink has agreed, that there have been underpayments of franchise fees. The best methodology for determining the amount of the underpayment is being determined.
- MACTA has filed an ex parte letter, in the FCC 621 proceeding regarding franchise fees, in response to the NCTA ex parte claims. The NCTA has filed four ex parte letters, which is very unusual. FCC staff has recommended that NATOA respond to all accusations and compile a master list of filed comments.
- The small cell wireless order appeal is still pending.
- MACTA is preparing a letter to the Minnesota Congressional delegation regarding several small cell wireless bills, an act that would require communications companies to disclose all fees to subscribers, and a digital equity act that would provide funds for broadband projects in underserved areas.
- The small cell model ordinance is finished and available to cities.

### **REPORT OF COMCAST**

No report was presented.

### **REPORT OF CENTURYLINK**

No report was presented.

**NEW BUSINESS**

No new business was presented.

**OLD BUSINESS**

No old business was presented.

**REPORT OF DIRECTORS**

There was no report of Directors.

**ADJOURN**

The meeting was adjourned at 6:31 p.m. **The motion to adjourn was made by M. Montain. Second, M. Murphy. Motion approved.**

The next meeting of the NMTC will be held on **Wednesday, May 15, 2019 at 6:00 p.m.** at the city offices of Spring Lake Park.

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Cindy Hansen; Secretary, NMTC

**NORTH METRO TELECOMMUNICATION  
BILL LIST**

APRIL 2019

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>
APRIL	COMBINED	PAYROLL	38,016.35
APRIL	COMBINED	IRS/US PAYABLE	12,574.90
APRIL	COMBINED	MN REVENUE PAYABLE	2,366.51
APRIL	COMBINED	PERA PAYABLE	7,143.36
APRIL	COMBINED	PEACHTREE	40.80
APRIL	COMBINED	DISCOVERY BENEFITS	962.50
13476	4/2/19	Blythe Whealy	300.00
13477	4/3/19	Richard D. Larson	395.00
13478	4/3/19	Harrington Langer & Associates	15,425.00
13479	4/3/19	Coastal Wintergreen LLC	400.00
13480	4/3/19	Heidi Arnson	106.67
13481	4/7/19	Z Systems	8,727.32
13482	4/8/19	Rusty S. Ray	40.71
13483	4/14/19	Viking Trophies	1,164.50
13484	4/14/19	Grass Hopper Lawn & Snow	550.00
13485	4/14/19	Metro Sales, Inc.	692.75
13486	4/14/19	League of MN Cities	1,632.00
13487	4/14/19	Terry Tronson	507.48
13488	4/14/19	Eric Houston	34.44
13489	4/17/19	Bradley Law, LLC	2,512.50
13490	4/22/19	League of MN Cities	9,125.00
13491	4/29/19	Service Fire Protection	655.00
EFILE	4/1/19	Virtual Merchant Credit Card	22.28
EFILE	4/1/19	Authorize.Net	25.90
EFILE	4/3/19	Chase Visa Card Services	8,151.11
EPAY-01	4/1/19	POPP TELECOM	210.45
EPAY-02	4/1/19	Principal Financial Group	431.99
EPAY-03	4/3/19	Comcast	285.92
EPAY-04	4/3/19	T-Mobile	102.16
EPAY-05	4/3/19	Holiday Station Stores	157.59
EPAY-06	4/8/19	U.S. Bank Card Service	1,156.85
EPAY-07	4/12/19	AT&T Wireless	427.62
EPAY-08	4/14/19	Republic Services	189.52
EPAY-09	4/15/19	CenterPoint Energy	445.89
EPAY-10	4/15/19	Comcast Business 100M/100M	762.13
EPAY-11	4/26/19	City of Blaine-utilities	63.78
EPAY-12	4/26/19	Connexus Energy	1,825.43
EPAY-13	4/22/19	HealthPartners	10,876.91
			<b><u>128,508.32</u></b>

# North Metro Telecommunications Commission

## Balance Sheet

April 30, 2019

### ASSETS

#### Current Assets

Cash - Checking Account	\$	2,550,168.20
Petty Cash		150.00
A/R - NMTC		198,975.72
Prepaid Insurance - NMTC		11,811.46

Total Current Assets 2,761,105.38

#### Property and Equipment

Office Equipment - NMTC	1,309,645.37
Accum Deprec - NMTC	(2,228,998.14)
Bond Equipment 2016	1,985,000.00
Building-Polk/125	1,572,799.17
Land-Polk/125	225,700.00

Total Property and Equipment 2,864,146.40

#### Other Assets

Deferred Out Related/Pension	94,521.00
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Total Other Assets 94,521.00

Total Assets \$ 5,719,772.78

### LIABILITIES AND CAPITAL

#### Current Liabilities

A/P - NMTC	\$	10,516.25
Accrued Payroll Taxes & W/H's		449.54
PERA - CORRECTIONS		310.09
Garnished Wages		86.40
Garnished Wages		(86.40)
PERA PAYABLE - PRIOR		(3,371.42)
Accrued Vacation		90,556.38
Accrued Wages		27,155.12
Franchise Fee App		935,484.87
Due to City of Blaine		659,785.00
Due to City of Centerville		40,915.00
Due to City of Circle Pines		58,677.00
Due to City of Ham Lake		171,010.00
Due to City of Lexington		21,927.00
Due to City of Lino Lakes		202,125.00
Due to City of Spring Lake Par		70,560.00
Deferred In Related/Pension		148,635.00

Total Current Liabilities 2,434,734.83

#### Long-Term Liabilities

Net Pension Liability	543,664.00
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Total Long-Term Liabilities 543,664.00

Total Liabilities 2,978,398.83

#### Capital

Net Equity	431,408.74
Net Equity - Media Ctr	(206,243.34)
Net Equity - NMTC	2,517,656.37
Net Income	(1,447.82)

Total Capital 2,741,373.95

Total Liabilities & Capital \$ 5,719,772.78

# North Metro Telecommunications Comm

## Cash Receipts Journal

For the Period From Apr 1, 2019 to Apr 30, 2019

Date	Transaction Ref	Line Description	Debit Amnt	Credit Amnt
4/9/19	MARCH PAYPAL	MARCH PAYPAL PAYPAL	19.12	19.12
4/18/19	TAPE DUBS-CASH	TAPE DUBS-CASH Miscellaneous receipts	39.00	39.00
4/18/19	TAPE DUBS-CHECKS	TAPE DUBS-CHECKS Miscellaneous receipts	405.00	405.00
4/18/19	COMP REIMBURS-LEX	COMPUTER REIMBURSEMENT-LEXINGTON Miscellaneous receipts	83.95	83.95
4/18/19	CLASSES TAUGHT	CLASSES TAUGHT BY EHOUSTON Miscellaneous receipts	20.00	20.00
4/18/19	REFUND-CONNEXUS	REFUND-CONNEXUS LED REFUND Miscellaneous receipts	400.00	400.00
4/22/19	1ST QTR FRAN FEES	1ST QUARTER FRANCHISE FEES Comcast-Franchise	299,576.41	299,576.41
4/23/19	1ST QTR PEG FEES	1ST QUARTER PEG FEES Comcast-PEG Fees	196,652.81	196,652.81
4/24/19	1ST QTR FRAN FEES	1ST QUARTER FRANCHISE FEES CenturyLink-Franchise	5,738.88	5,738.88
4/25/19	1ST QTR PEG FEES	1ST QUARTER PEG FEES CenturyLink-Peg	3,243.90	3,243.90
4/27/19	APR CC SALES-SQUARE	MARCH CREDIT CARD SALES-SQUARE MARCH CREDIT CARD SALES-SQUARE-FEES Credit Card Sales	15.83 593.17	609.00
4/28/19	INTEREST	INTEREST-COMMISSION CHECKING INTEREST - COMMISSION	3,959.34	3,959.34
			<b>510,747.41</b>	<b>510,747.41</b>



# North Metro Telecommunications Comm

## Check Register

For the Period From Apr 1, 2019 to Apr 30, 2019

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

Check #	Date	Payee	Amount
EFILE	4/1/19	Discovery Benefits	22.50
EFILE	4/1/19	Authorize.Net	25.90
EFILE	4/1/19	Virtual Merchant Credit Card	22.28
EPAY-02	4/1/19	Principal Financial Group	431.99
EPAY-01	4/1/19	POPP TELECOM	210.45
13476	4/2/19	Blythe Whealy	300.00
EPAY-03	4/3/19	Comcast	285.92
EPAY-04	4/3/19	T-Mobile	102.16
EPAY-05	4/3/19	Holiday Station Stores	157.59
EFILE	4/3/19	Chase Visa Card Services	8,151.11
13477	4/3/19	Richard D. Larson	395.00
13478	4/3/19	Harrington Langer & Associates	15,425.00
13480	4/3/19	Heidi Arnson	106.67
13479	4/3/19	Coastal Wintergreen LLC	400.00
13481	4/7/19	Z Systems	8,727.32
13482	4/8/19	Rusty S. Ray	40.71
EPAY-06	4/8/19	U.S. Bank Card Service	1,156.85
EFILE	4/10/19	Discovery Benefits	470.00
PEACH	4/12/19	Peachtree/Sage Software	20.40
EFILE	4/12/19	MN Dept. of Revenue	1,123.21
EFILE	4/12/19	Public Employees Retirement	3,526.44
EFILE	4/12/19	IRS/US BANK	6,017.05
EPAY-07	4/12/19	AT&T Wireless	427.62
EPAY-08	4/14/19	Republic Services	189.52
13483	4/14/19	Viking Trophies	1,164.50
13484	4/14/19	Grass Hopper Lawn & Snow	550.00
13485	4/14/19	Metro Sales, Inc.	692.75
13486	4/14/19	League of MN Cities	1,632.00
13487	4/14/19	Terry Tronson	507.48

# North Metro Telecommunications Comm

## Check Register

For the Period From Apr 1, 2019 to Apr 30, 2019

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Check #	Date	Payee	Amount
13488	4/14/19	Eric Houston	34.44
EPAY-09	4/15/19	CenterPoint Energy	445.89
EFILE	4/15/19	MN Dept. of Revenue	103.00
EPAY-10	4/15/19	Comcast Business 100M/100M	762.13
13489	4/17/19	Bradley Law, LLC	2,512.50
EPAY-13	4/22/19	HealthPartners	10,876.91
13490	4/22/19	League of MN Cities	9,125.00
EFILE	4/24/19	Discovery Benefits	470.00
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EPAY-11	4/26/19	City of Blaine-utilities	63.78
EPAY-12	4/26/19	Connexus Energy	1,825.43
EFILE	4/26/19	MN Dept. of Revenue	1,133.34
EFILE	4/26/19	Public Employees Retirement	3,554.79
EFILE	4/26/19	IRS/US BANK	6,070.78
13491	4/29/19	Service Fire Protection	655.00
EFILE	4/30/19	Public Employees Retirement	62.13
EFILE	4/30/19	MN Dept. of Revenue	6.96
EFILE	4/30/19	IRS/US BANK	487.07
<b>Total</b>			<b>90,491.97</b>

# North Metro Telecommunications Comm

## General Journal

For the Period From Apr 1, 2019 to Apr 30, 2019

Date	Reference	Trans Description	Debit Amt	Credit Amt
4/1/19	ACCRUED VAC/SIC/COMP	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	96,876.47	96,876.47
4/1/19	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	12,384.00	12,384.00
4/28/19	ACCRUED VAC/COMP/SIC	ACCRUED VAC/COMP/SICK ACCRUED VAC/COMP/SICK	90,556.38	90,556.38
4/29/19	ACCRUED WAGES	ACCRUED WAGES ACCRUED WAGES	17,512.32	17,512.32
4/30/19	ACCRUED DEPRECIATION	ACCRUED DEPRECIATION ACCRUED DEPRECIATION	12,900.00	12,900.00
<b>Total</b>			<b>230,229.17</b>	<b>230,229.17</b>

# North Metro TV

April 2019 Update

## Program Production

In April, a total of 81 **new programs** were produced utilizing the North Metro facilities, funds, and services. This constitutes **57:30:00 hours of new programming**.

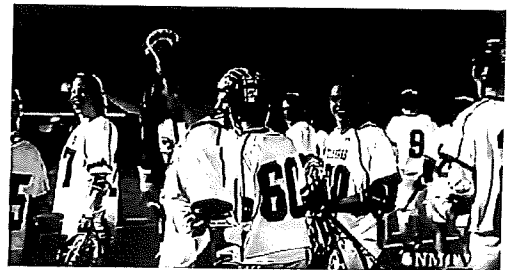
- 32 programs were produced by the public
- 24 programs were produced by NMTV staff
- 25 programs were produced by City staff



## Van Shoots

The HD truck was used for **24:45:00** hours of production. Events produced live and recorded for additional playbacks include:

- Softball: Centennial vs. Spring Lake Park
- Boys Lacrosse: Moundsvew vs. Centennial
- Boys & Girls Track & Field: Armstrong/Cambridge-Isanti/Blaine/Centennial
- Boys Tennis: Eagan vs. Centennial



## Workshops

Workshop	Instructor	Organization	Students
Screenwriting Workshop, Week 5	Eric Houston	General Public	7
Lecture Series - James Bond: 50 Years of 007	Eric Houston	Legends of Spring Lake Park	2
Screenwriting Workshop, Week 6	Eric Houston	General Public	7
Lecture Series - This is Orson Welles	Eric Houston	Crest View Senior Living	11
Screenwriting Workshop, Week 7	Eric Houston	General Public	7
Lecture Series - Batman: The 1966 TV Sensation	Eric Houston	Spring Lake Park Park & Rec	7
Lecture Series - At the Movies: The Birth of Sound, Color & Widescreen	Eric Houston	At NMTV, General Public	15
Screenwriting Workshop, Week 8	Eric Houston	General Public	10
Camera	Eric Houston	General Public	2
<b>9 Workshops</b>			<b>68 Students</b>

## 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	226	64	47	2	702	\$1,305.00
February	302.75	71	91	2	1,277	\$914.00
March	248.75	128	26	38	700	\$906.00
April	208.75	88	17	17	1,830	\$1,014.00
<b>TOTAL:</b>	<b>986.25</b>	<b>351</b>	<b>181</b>	<b>59</b>	<b>4,509</b>	<b>\$4,139.00</b>

## 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.

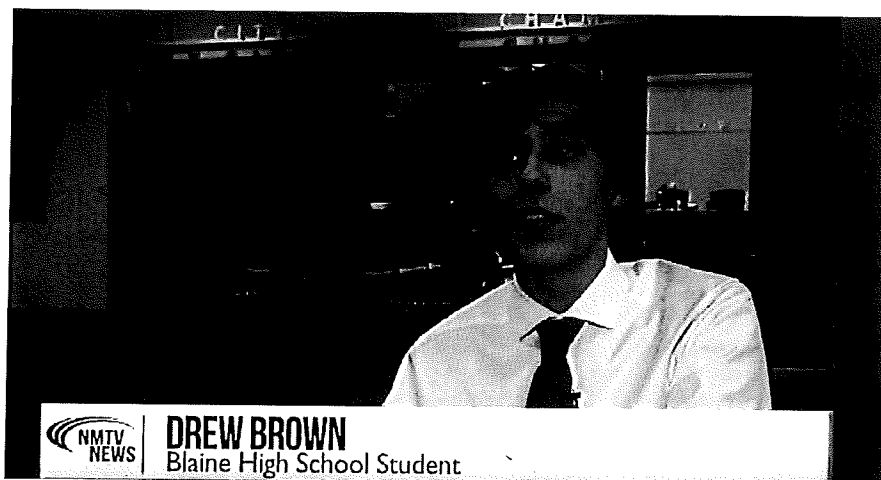
Month	Unique Individuals	Total Usage Hours
January	144	677.5
February	94	606.5
March	76	572.75
April	108	591.75
<b>TOTAL PUBLIC USAGE:</b>		<b>2,448.50</b>

## Production Highlights

### NMTV News Highlights

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

- Bill Would Make it Easier to Remote into City Meetings
- Spring Lake Park Lawmaker Brings Daughter to Work at State Capitol
- Ham Lake Puts New Rules in Place for Short Term Rentals
- Career Closet Gives Young People Opportunities to Succeed
- Blaine High School Student Joins Blaine Commissions
- Anoka Hennepin Recognizes Volunteers
- Your City Staff: Wanda Brown
- Homelessness in Anoka County Rising
- The Down Under in Circle Pines Torn Down
- Centennial Activities Director Wins State Honor



- Repairing Potholes on County Roads

In addition to daily playbacks of North Metro TV News on the cable systems, there are 548 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, is working on the spring episodes of Mayor's Minutes. So far he has completed the Centerville and Blaine shows. Quarterly, Trevor contacts the Cities to gauge interest in producing an episode for the season. The show is great way to share plans and goals for the city with residents on a regular basis. It is a relatively short summary of city activities intended to keep residents informed. It also serves as a casual resource for Mayor's to share information they deem important.



### School Projects

April was a busy month for school projects. The biggest of them was the annual Arrive Alive production. Special Events Coordinator, T.J. Tronson, worked closely with the Blaine Police Department and Centennial High School to produce the event. T.J. and his crew recorded the party, crash, death notification, and funeral home scenes. The big crash scene took place on April 23rd and involved eight cameras, including three GoPros, to capture the crash from as many angles as possible. He then spent the next nine and a half hours editing the video to be presented to the student body the next day. Arrive Alive is always a very time-consuming and detailed event that is worth every minute spent producing it. The final version of the program, which will play on the channels, will include an introduction by the Blaine Police Department, the video, and the mock funeral that took place at Centennial High School. T.J. also taped two school plays including Centennial Middle School's production of "Singing In the Rain" and the Blaine Special Education play "Heroes - the Power Within,"

### Your City Staff

Rusty and Danika were able to convince another city employee to participate in the "Your City Staff" segment! This time around Spring Lake Park's Recycling Coordinator/Special Projects Coordinator Wanda Brown answered the call...and look at the picture....she seems really excited about it. Not only is Wanda an award winning Recycling Coordinator, she is also the video specialist for Spring Lake Park, charged with recording the city meetings and keeping the information fresh on the city Carousel pages. If you have a recommendation for someone to feature in "Your City Staff" please contact Rusty or Danika.



### Crime Crushers

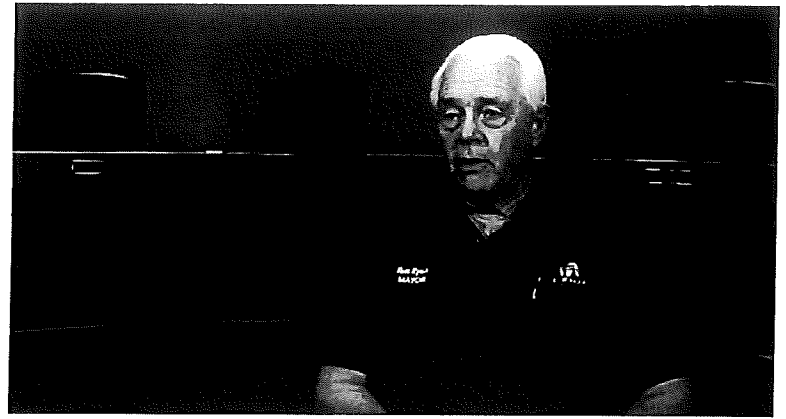
Municipal Coordinator, Trevor Scholl, has been working with the Lino Lakes Police Department on a series of crime prevention videos collectively called "Crime Crushers." The first episode, Hockey Bag Blues, was completed in April. Each episode is a fun skit starring Lino Lakes Police Officers sharing crime prevention tips. The second episode has already been shot and scripts are done for episodes three and four.



## City Productions

Municipal Producer, Trevor Scholl, continues working on several major projects that will take some time to complete, including an in-depth piece with the Blaine Police Department regarding training and the Lino Lakes crime prevention series. He also completed two spring episodes of Mayor's Minutes and several community related stories.

- Hops for Hunger
- Walk for Animals Promo
- Crime Crushers: Hockey Bag Blues
- Mayor's Minutes: Blaine Spring
- Mayor's Minutes: Centerville Spring



New and ongoing projects include:

- Lino Lakes crime prevention skits. Shot second episode, and edited script for the next two
- Blaine Police Department training series, completed shooting
- More Spring Mayor's Minutes
- Assisted with 2019 Arrive Alive project
- Additional episodes of Get Connected
- Ham Lake Senior Center activities
- Chomonix Golf Course Issues

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**

- 4.15.19: Ben Hayle requested Brightsign content update. Done.

### **Centerville**

- 4.3.19: Looking into streaming problems. Contacted Roseville office/waiting for a reply.
- 4.3.19: Ordered up-conversion equipment. Will use to up-convert signal for Makito X transport until HD upgrade is complete.
- 4.23.19: Installed Makito X and transmission gear for up-convert. Tested transmission. Not working. Called Roseville as something must be blocked.
- 4.24.19: Got call from Roseville. They reconfigured their firewall. Transmission now works.
- 4.25.19: Monitored first live meeting transmission. Live meeting and recording both successful.
- 4.26.19: Video recorded in black and white. Went to City Hall and changed 5th switch on up-converter.
- 4.26.19: CenturyLink switches channel to HD.

### **Circle Pines**

- No assistance requested.

### **Ham Lake**

- 4.22.19: Meeting recorded with no sound. Offered training services to new staff.

### **Lexington**

- 4.3.19: HD upgrade on schedule. Cabling nearly complete/all equipment installed.
- 4.5.19: HD install complete. Tested transmission with Makito X. It works.
- 4.26.19: CenturyLink switches channel to HD.

### **Lino Lakes**

- No assistance requested.

### **Spring Lake Park**

- 4.2.19: The quote from Alpha Video was signed. The work on the video distribution install will begin later in April.
- 4.3.19: Talked with Matt about boosting internet speed. Talked with Comcast. They will visit site to fix problem.

**All Cities**

- 4.30.19: Met with technical staff regarding internet capacity. Made decision to switch city transmissions to fiber line. Will create orderly time-line that will not interfere with meetings.

### City Channel 16 Playback Stats

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City	Number of Times Programs Played	Hours Programmed on Channel
Blaine	176	189:25:40
Centerville	42	62:46:24
Circle Pines	178	168:26:01
Ham Lake	65	54:51:44
Lexington	100	58:15:00
Lino Lakes	64	69:49:04
Spring Lake Park	92	66:33:50
<b>Totals:</b>	<b>717 Program Playbacks</b>	<b>670:07:43 Hours of Video Programming on Channels</b>

### Programs Produced by the Public

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Title	Producer	Runtime
Off Constantly (2 episodes)	D.W. Bauer	00:31:42
Exploding Reality	Michele Kurak	01:19:33
Travel Talk: Japan	Judy Peterson	00:23:53
Spending Time With One of the Greats: Devean George	Jason Anderson/Brad Sanford/Kevin Sullivan	00:18:06
Every Movie Ever (2 episodes)	Joe Scholz, Rick Bostrom, Ben Daniels/Ryan Frieundschuh, Gavin Van Trease/Brett Wong/Seraiah Brooks/Eric Houston	00:46:47
Cornerstone Church (3 episodes)	Rick Bostrom	01:49:17
Christ Lutheran Church (5 episodes)	Jacob Nessman	05:16:29
The Power of Love (4 episodes)	Rick Larson	02:00:00
LovePower (4 episodes)	Rick Larson	04:00:00
Rice Creek Watershed District Meeting	Theresa Stasica	01:12:40
Oak Park Moments (5 episodes)	Dave Turnidge	03:26:28
Hope Church (3 episodes)	Cindy Hardy	02:01:17
<b>32 New Programs</b>		<b>23:06:03 New Hours</b>



## Programs Produced by NMTV Staff

Title	Producer	Runtime
Anoka County Board Meeting (4/9/19)	T.J. Tronson	01:08:26
Anoka County Board Meeting (4/23/19)	T.J. Tronson	01:17:57
North Metro Cable Commission Meeting	T.J. Tronson	00:30:39
Arrive Alive 2019 Centennial High School Presentation Clip	T.J. Tronson	00:07:06
NMTV News (4 episodes)	Danika Peterson/Rusty Ray	01:02:40
Long Time City Inspector Retires	Danika Peterson/Rusty Ray	00:02:54
Your City Staff: Wanda Brown	Danika Peterson/Rusty Ray	00:02:25
Blaine High School Student Joins Commissions	Danika Peterson/Rusty Ray	00:03:39
Senior Center Groundbreaking	Danika Peterson/Rusty Ray	00:01:15
National Drug Take Back Day	Danika Peterson/Rusty Ray	00:01:19
Hops for Hunger 7	Trevor Scholl	00:02:45
Walk for Animals Promo	Trevor Scholl	00:02:45
Crime Crushers: Hockey Bag Blues	Trevor Scholl	00:03:07
Mayor's Minutes: Blaine Spring 2019	Trevor Scholl	00:05:04
Mayor's Minutes: Centerville Spring 2019	Trevor Scholl	00:05:37
Softball: Centennial/Spring Lake Park	Kenton Kipp/J. Millington	01:41:13
Boys Lacrosse: Moundsview/Centennial	Kenton Kipp/J. Millington	01:53:06
Boys & Girls Track & Field: Armstrong/Cambridge-Isanti/Blaine/Centennial	Kenton Kipp/J. Millington	03:51:44
Boys Tennis: Eagan/Centennial	Kenton Kipp/J. Millington	00:41:53
Game Highlights (2 episodes)	Kenton Kipp/J. Millington	00:01:56
<b>24 New Programs</b>		<b>12:47:20 New Hours</b>

## Programs Produced by City Staff

Title	Producer	Runtime
Blaine City Council Meeting (4/1/19)	Blaine Staff	01:06:58
Blaine Traffic Commission Meeting (4/2/19)	Blaine Staff	00:31:33
Blaine Planning Commission Meeting (4/9/19)	Blaine Staff	01:03:35
Blaine City Council Meeting (4/15/19)	Blaine Staff	01:05:19
Blaine Natural Resources Conservation Board Meeting (4/16/19)	Blaine Staff	00:50:56
Blaine Park Board Meeting (4/23/19)	Blaine Staff	00:51:23
Centerville City Council Meeting (4/10/19)	Centerville Staff	01:06:11
Centerville City Council Meeting (4/24/19)	Centerville Staff	01:36:41
Circle Pines Park Board Meeting (4/2/19)	Circle Pines Staff	00:38:28
Circle Pines City Council Meeting (4/9/19)	Circle Pines Staff	01:03:31
Circle Pines Planning Commission Meeting (4/15/19)	Circle Pines Staff	00:29:43
Circle Pines Utility Commission Meeting (4/17/19)	Circle Pines Staff	00:07:44
Circle Pines City Council Meeting (4/23/19)	Circle Pines Staff	01:35:28
Ham Lake City Council Meeting (4/1/19)	Ham Lake Staff	00:36:50
Ham Lake Planning Commission Meeting (4/8/19)	Ham Lake Staff	00:22:39
Ham Lake City Council Meeting (4/15/19)	Ham Lake Staff	00:35:12
Lexington City Council Meeting (4/4/19)	Lexington Staff	00:32:30
Lexington City Council Meeting (4/18/19)	Lexington Staff	00:22:08
Lino Lakes Park Board Meeting (4/1/19)	Lino Lakes Staff	00:47:35

<b>Title cont.</b>	<b>Producer cont.</b>	<b>Runtime cont.</b>
Lino Lakes City Council Meeting (4/8/19)	Lino Lakes Staff	00:48:26
Lino Lakes Planning & Zoning Meeting (4/10/19)	Lino Lakes Staff	01:53:50
Lino Lakes City Council Meeting (4/22/19)	Lino Lakes Staff	00:26:18
Lino Lakes Environmental Board Meeting (4/24/19)	Lino Lakes Staff	01:43:58
Spring Lake Park City Council Meeting (4/1/19)	Spring Lake Park Staff	00:35:45
Spring Lake Park City Council Meeting (4/15/19)	Spring Lake Park Staff	00:40:12
<b>25 New Programs</b>		<b>21:32:53 New Hours</b>

If you have any questions or comments regarding this monthly report please contact  
Heidi Arnson at 763.231.2801 or [harnson@northmetrotv.com](mailto:harnson@northmetrotv.com).

# NORTH METRO TV

## Production Statistics 2019

Programming Statistics	J	F	M	A	M	J	JU	A	S	O	N	D	19 Total	19 Average
<b>Cablecast Programs</b>	2675.00	2340.00	2636.00	2374.00									10025.00	835.42
Cablecast Hours	2070.00	1797.00	2015.25	1900.50									7782.75	648.56
Programs Produced - Public	34.00	27.00	24.00	23.00									108.00	9.00
Program Hours Produced - Public	20.50	18.50	16.50	16.50									72.00	6.00
Prog. Produced - Affiliated Public	8.00	6.00	9.00	9.00									32.00	2.67
Prog. Hours Produced - Affil. Public	6.75	5.00	5.50	6.75									24.00	2.00
Programs Produced - City Staff	21.00	23.00	23.00	25.00									92.00	7.67
Prog. Hours Produced - City Staff	20.00	19.00	23.00	21.50									83.50	6.96
Programs Produced - NMTV Staff	50.00	63.00	44.00	24.00									181.00	15.08
Prog. Hours Produced - NMTV Staff	21.00	35.75	18.25	12.75									87.75	7.31
Total Public Programs Produced	42.00	33.00	33.00	32.00									140.00	11.67
Total Staff Programs Produced	71.00	86.00	67.00	49.00									273.00	22.75
Total Internal Programs Produced	113.00	119.00	100.00	81.00									413.00	34.42
% Staff Produced Programs	62.83%	72.27%	67.00%	60.49%									66.10%	66.10%
% Public Produced Programs	37.17%	27.73%	33.00%	39.51%									33.90%	33.90%
External Programs Submitted	19.00	13.00	21.00	18.00									71.00	5.92
External Program Hours	14.25	10.50	13.25	11.25									49.25	4.10
Total New Programs	132.00	132.00	121.00	99.00									484.00	40.33
<b>Equipment Usage Statistics</b>														
Facility Hours Available	176.00	149.00	196.00	202.00									723.00	60.25
Public Field Equipment Uses	7.00	5.00	8.00	8.00									28.00	2.33
Studio A	38.00	38.00	46.50	36.50									159.00	13.25
% of Available Time	21.59%	25.50%	23.72%	18.07%									21.99%	21.99%
Studio B	29.75	27.50	4.00	19.00									80.25	6.69
% of Available Time	16.90%	18.46%	2.04%	9.41%									11.10%	11.10%
Public MAC A Edit Suite	71.50	213.00	180.00	135.75									600.25	50.02
% of Available Time	40.63%	142.95%	91.84%	67.20%									83.02%	22.48%
Public MAC B Edit Suite	77.25	52.75	76.25	83.25									289.50	24.13
% of Available Time	43.89%	35.40%	38.90%	41.21%									40.04%	40.04%
Public MAC C Edit Suite	83.75	80.00	138.00	108.75									410.50	34.21
% of Available Time	47.59%	53.69%	70.41%	53.84%									56.78%	56.78%
<b>Production Van Statistics</b>														
Production Hours	41.75	66.50	25.50	24.75									158.50	13.21
Number of Van Shoots	7.00	10.00	4.00	4.00									25.00	2.08
Average Hours Per Shoot	5.96	6.65	6.38	6.19									6.34	1.10
Number of New Volunteers	1.00	8.00	0.00	0.00									9.00	0.75
Volunteer Hours	21.00	39.00	30.00	5.00									95.00	7.92
<b>Public Access Statistics</b>														
Number of Workshops	8.00	6.00	8.00	9.00									31.00	2.58
Number of Students	85.00	63.00	52.00	68.00									268.00	22.33
PAP Volunteer Hours	199.75	104.00	92.50	158.50									554.75	46.23
Total Public Facility Usage Hours	677.50	606.50	572.75	591.75									2448.50	204.04

## **EXECUTIVE COMMITTEE MINUTES**

Meeting of May 1, 2019

Executive Cmte. Present: Dick Swanson; Blaine, Mike Murphy; Lexington, Dale Stoesz; Lino Lakes

Absent: Cindy Hansen; Spring Lake Park

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

### **CALL TO ORDER**

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

### **APPROVAL OF MINUTES**

**A motion to approve the April 3, 2019 Executive Committee meeting minutes was made by D. Swanson. Second, M. Murphy. Motion approved.**

### **EXECUTIVE DIRECTOR / OPERATIONS COMMITTEE REPORT**

- The settlement agreement between CenturyLink and the Commission is nearly finalized. Some consideration is being given to whether it is necessary to include language regarding the subscriber's transition from the service. Once the agreement is finalized it will need to be adopted by the Member Cities.
- With the HD upgrades for City equipment nearly complete, an HD channel for city programming will be requested from Comcast. Once a request has been made for the channel it will take approximately 90 days for the upgrade. An SD channel will have to be returned to Comcast in exchange for the HD channel.
- First quarter franchise and PEG fees were reviewed.
- Staff and Legal Counsel met with Comcast representatives for a franchise renewal kick-off meeting. Needs and priorities were discussed by both parties. The next step is to create a draft franchise document.

### **OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

- A suggestion was made to change the Commission agenda to improve the flow of the meeting. Adding the Executive Committee and Operations Committee minutes to the consent agenda and eliminating the reports of Comcast and CenturyLink were considered. It was also recommended that a community calendar with future meeting dates be added.

**ADJOURN**

**Motion to adjourn made by D. Swanson. Second, M. Murphy. Motion approved. The meeting was adjourned at 6:33 p.m.**

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## NORTH METRO TV

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**TO:** OPERATIONS COMMITTEE/CABLE COMMISSION  
**FROM:** HEIDI ARNSON  
**SUBJECT:** PROPOSED CENTURYLINK SETTLEMENT AGREEMENT  
**DATE:** 4/24/2019

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As you know, CenturyLink does not plan to continue providing cable service to subscribers. The company is no longer building out its infrastructure, for this purpose, and is not marketing the PRISM service. Legal Counsel, Mike Bradley, recommended that the Commission find CenturyLink in violation of their franchise related to this policy. After meeting with CenturyLink, it was determined that it would be in both parties best interest to come to an agreement.

### **Background**

- 2015 - CenturyLink franchises are approved by all Cities.
  1. Franchises include build-out requirements and market success based goals.
- 2016 - CenturyLink acquires Level 3.
- 2016 - CenturyLink closes its customer kiosk at Northtown Mall.
- 2017 - Minnesota Attorney General files a lawsuit against CenturyLink alleging consumer fraud and deceptive trade practices.
- 2017 - The Commission issues a Notice of Franchise Violation to CenturyLink, related to the lawsuit. Any Commission action is deferred until the lawsuit is resolved.
- 2018 - CenturyLink introduces and ends its CenturyLink stream product.
- 2018 - CenturyLink announces it no longer plans to add PRISM customers. (May be related to Level 3 purchase, new leadership, and changed company direction)
- 2018 - CenturyLink reports they do not intend to renew franchise agreements.
- 2018 - The Commission considers finding CenturyLink in violation of their franchise for ceasing to build-out their system and pursuing market-based success. The issue was tabled to allow CenturyLink to respond.
- 2018 - Staff and Legal Counsel meet with CenturyLink representatives.
- 2018 - It is agreed that a settlement agreement should be produced that provides an orderly exit from the market for CenturyLink and provides the Commission with some certainty regarding the franchise renewal process moving forward.
- 2018/2019 - A draft document is provided by CenturyLink, suggested changes provided by Commission Legal Counsel.
- 2019 - A draft document is generally agreed upon.
- 2019 - Changes to the document are considered after considering the addition of subscriber transition language.

A settlement agreement had been produced that was acceptable to Mike Bradley. The Commission was poised to recommend approval of the document when CenturyLink asked that consideration be delayed one month to allow for additional scrutiny by CenturyLink attorneys.

At the Cable Commission meeting, Commissioner Dale Stoesz inquired as to whether a transition plan for current CenturyLink customers should be included in the document. Language to assist subscribers during the transition will likely be included.

The negotiations will continue.

## SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into on this \_\_\_\_ day of \_\_\_\_\_ 2019 by and between the North Metro Telecommunications Commission ("NMTC"), a Joint Powers Commission comprised of the municipalities of Blaine, Centerville, Circle Pines, Ham Lake, Lexington, Lino Lakes and Spring Lake Park, Minnesota (the "Member Cities"), each of the Member Cities and Qwest Broadband Services, Inc. d/b/a CenturyLink (hereinafter "CenturyLink"). The NMTC, Member Cities and CenturyLink shall sometimes be referred to herein individually as a "Party" and collectively as the "Parties."

### **I. RECITALS**

A. The NMTC, among other things, negotiates and administers cable franchises on behalf of the Member Cities.

B. The Member Cities each, through the NMTC, and CenturyLink negotiated and entered into a cable franchise agreement with Qwest Broadband Services, Inc. ("QBSI") DBA CenturyLink" (collectively the "Franchise").

C. The NMTC has asserted that CenturyLink may be in violation of the Franchise for: (i) allegedly no longer aspiring to complete a reasonable build-out of its cable system within five years; (ii) allegedly no longer competing for cable service customers and not even trying to have market-based success; and (iii) allegedly not expending any effort to deploy its system in a shorter time period than allegedly required (collectively "Alleged Franchise Violations").

D. CenturyLink disputes the Alleged Franchise Violations, and specifically claims that it remains in compliance with the Franchise, including the market-based success language in the franchise; any build requirement set forth in the Franchise; and providing service as required in the Franchise.

E. Each cable franchise agreement between each Member City and CenturyLink has a term of five years and expires in 2021 per the cable franchise agreement (the "Initial Term").

F. It is the intent of the Parties to establish a process whereby the Member Cities and the NMTC will not pursue the Alleged Franchise Violations in exchange for the promises contained herein.

**NOW, THEREFORE**, in consideration of the terms, conditions, covenants, considerations, mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, and intending to be legally bound, the Parties agree as follows:

### **II. AGREEMENT**

**1. Effective Date.** This Agreement shall be effective on the date first written above (the "Effective Date").



**2. Franchise Term.** The Parties agree that the Franchise shall terminate and CenturyLink shall cease providing cable service in each Member City at the expiration of the Initial Term; provided however that CenturyLink may elect to terminate the Franchise at an earlier date upon 90 days' notice to each Member City. Upon any termination or expiration of the Franchise, CenturyLink shall cease providing cable service in the City.

**3. Removal of Facilities at Expiration of Franchise.** Pursuant to Section 3.7 of the Franchise, CenturyLink shall remove any facilities that are used exclusively to provide Cable Service. The City shall not require CenturyLink to remove any facilities that are used in another of CenturyLink's, or its affiliates, networks, including facilities used to provide broadband Internet access services or voice communications services.

**4. Franchise Renewal.** CenturyLink hereby waives any and all franchise renewal rights under federal and state law. CenturyLink agrees not to seek any renewal or extension of the Franchise past the Initial Term. The NMTC and the Member Cities agree to refrain from further pursuing any claims against CenturyLink for the Alleged Franchise Violations.

**5. Other Franchise Terms Remain Unchanged.** Other than as set forth in this Agreement the Franchise remains unchanged. The Parties acknowledge a franchise fee review being conducted by the NMTC, which is not resolved by this Agreement.

**6. No Admission.** Except as expressly stated herein, it is understood and agreed that agreements made by the Parties in this Agreement are not to be construed as an admission of a contract right or liability on the part of either Party, and such agreements are a compromise and settlement of the Alleged Franchise Violations and CenturyLink's ability to seek a formal or informal renewal or extension of the Franchise.

**7. Right to Make Agreement.** The Parties represent, warrant and covenant that they have the right and authority to enter into and make this Agreement and those executing this Agreement have all necessary authority to execute this Agreement and bind the respective Parties.

**8. Default.** In the event of breach of this Agreement, the non-defaulting party may seek judicial relief from a court of competent jurisdiction. The prevailing party shall be entitled to all of its costs and expenses including reasonable attorneys' fees.

**9. No Transfer.** Each Party represents, warrants and covenants that it has the sole right and authority to execute this Agreement, and that it has not previously assigned or transferred, or purported to have assigned or transferred, to any corporation, entity or person, any cause of action, judgment, lien, indebtedness, damage, obligation, loss, claim, liability, or right included in this Agreement.

**10. Consultation With Attorneys And Advisors.** The Parties expressly acknowledge that they have consulted, or have had the opportunity to consult, with whatever consultants, attorneys or other advisors each deems is appropriate in connection with the effect of this Agreement, and each Party assumes the risk arising from not seeking further additional

consultation with such advisors. This Agreement has been, and shall be construed to have been, drafted by all of the Parties, so that the rule of construing the ambiguities against the drafter shall have no force or effect.

**11. Governing Law.** The validity, construction, interpretation and administration of this Agreement shall be governed by the internal laws of the State of Minnesota, without regard to the principles of conflict of laws. Any action arising out of, or relating to, this Agreement shall be filed in a court of competent jurisdiction in Minnesota. Each Party hereby consents to the jurisdiction of such courts for the purposes described in this Section.

**12. Integration Clause.** The Parties and/or their attorneys have engaged in settlement negotiations resulting in the execution of this Agreement. All of those settlement negotiations have been completed and are merged into this Agreement, which states as a final, complete, express, written and unambiguous integration exactly what the Parties have agreed. With respect to its subject matter, including without limitation all matters incorporated herein by reference, this Agreement is a complete integration and final expression of the Parties rights and duties. This Agreement is intended to be enforceable according to its written terms. There are no promises, oral agreements, representations, understandings or expectations of the Parties to the contrary.

**13. Modification.** Any alteration, modification or amendment to this Agreement shall be void unless in writing, signed by both Parties.

**14. Severance.** If, after the Effective Date of this Agreement, any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision will be fully severable and the remainder of the Agreement will remain enforceable and not affected thereby.

**15. Persons Bound.** Except as otherwise stated herein, the terms of this Agreement shall extend to, and are binding upon, the Parties and each of their respective heirs, beneficiaries, representatives, partners, members, officers, directors, shareholders, employees, agents, and authorized successors and assigns.

**16. Assignment.** Neither this Agreement nor any rights, interests or obligations hereunder shall be assigned or transferred by any Party without the prior written consent of the other Party hereto. Any such assignment or transfer made without prior written consent of each Party hereto shall be null and void.

**17. Headings.** All headings herein are provided for convenience of reference only and do not affect the meaning or interpretation of this Agreement.

**18. Execution in Multiple Counterparts.** This Settlement Agreement and all documents to be executed hereunder may be executed in multiple counterparts, each of which may be treated as an original document.

19. **Copies.** Both facsimile and PDF copies of the executed Agreement may be treated as original documents.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed in their respective names on the date of this Agreement.

**QWEST BROADBAND  
SERVICES, INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

**NORTH METRO  
TELECOMMUNICATIONS  
COMMISSION**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF BLAINE, MINNESOTA**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF CENTERVILLE, MINNESOTA**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF CIRCLE PINES, MINNESOTA**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF HAM LAKE, MINNESOTA**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF LEXINGTON, MINNESOTA**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF LINO LAKES, MINNESOTA**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF SPRING LAKE PARK,  
MINNESOTA**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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**NORTH METRO TV**

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**TO:** OPERATIONS COMMITTEE/CABLE COMMISSION  
**FROM:** HEIDI ARNSON  
**SUBJECT:** HD CITY CHANNEL UPDATE  
**DATE:** 4/24/2019

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As part of the 2014 Settlement Agreement with Comcast, NMTV was given access to two HD channels. There were a few stipulations to that access: First, an HD signal had to be provided by NMTV; Second, an SD channel had to be returned to Comcast; and third, the second HD channel could be accessed one year after the first.

### **HD Upgrade Timeline**

- 2014 - Settlement Agreement includes two HD channels for NMTV use.
- 2015 - Centennial School District decides to no longer program channel designated for school use. (channel 20) Staff programming is placed on channel temporarily.
- 2016/2017 - Comprehensive NMTV equipment upgrade to HD format.
- 2017 - First HD channel utilized for staff produced programs (channel 15). SD channel 20 is returned to Comcast.
- 2017/2019 - Cities upgrade equipment to HD format.
- 2019 - A request will be made to Comcast for the second HD channel to be the city channel. A channel will need to be returned to Comcast. Recommend SD channel 19, currently designated to school district 16, but not being programmed.
- 2019 - Currently in discussions with School District 16 staff regarding channel 19.

Now that six cities have upgraded to HD, and Centerville plans to this year, a request will be made to Comcast for our second HD channel. An SD channel will have to be returned to Comcast at this time. School District 16 is not programming their designated channel, and I am talking with them to learn their plans. It is my expectation that they do not plan to program the channel.

It is important to keep the SD channel 16, in addition to having an HD city channel. A little over 14% of our subscribers do not have HD service. If the SD channel 16 were to go away, they would not have access to city meetings via their cable service.

**Sample Commission Agenda**

**NORTH METRO TELECOMMUNICATIONS COMMISSION MEETING**

**May 15, 2019**

**6:00 p.m.**

**SPRING LAKE PARK CITY OFFICES**

**1301 81<sup>st</sup> Avenue NE**

**AGENDA**

1. Call to Order/Roll Call
2. Citizen Comments
3. Approval of the Agenda
4. Consent Agenda
  - a) April financial reports and bill list
  - b) Minutes of Regular meeting of April 17, 2019
  - c) Minutes of Executive Committee meeting of May 1, 2019
  - d) Minutes of Operations Committee of April 30, 2019
5. Reports
  - a) Executive Director
  - b) Legal Counsel
6. Executive Committee
  - a. Motion 1
  - b. Motion 2
7. Old Business
8. New Business
9. Communications
10. Community Calendar
  - a) Upcoming Events
  - b) Next Meeting Dates
11. Adjournment

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

Tuesday, April 30, 2019

**CALL TO ORDER**

The meeting began at 10:30 a.m.

**MEMBERS PRESENT**

C. Arneson, B. Petrcek, D. Buchholtz, J. Karlson, P. Antonen

**MEMBERS ABSENT**

D. Krueger, M. Statz

**OTHERS PRESENT**

H. Arnson

**APPROVAL OF MEETING NOTES**

The meeting notes of April 2, 2019 were approved by consensus.

**EXECUTIVE DIRECTOR REPORT**

- A settlement agreement between CenturyLink and the Commission is nearly done. The Commission has asserted that CenturyLink may be in violation of its franchise for allegedly no longer aspiring to complete a reasonable build-out of its cable system within five years; allegedly no longer competing for cable service customers and not even trying to have market-based success; and allegedly not expending any effort to deploy its system in a shorter time period than allegedly required. In the draft agreement, the Commission agrees not to pursue the alleged franchise violations in exchange for an orderly exit from the television market by CenturyLink at the end of the current franchise term, and removal of any infrastructure in the public-right-of-way that is exclusively used for cable television. Customer transition procedures may also be considered in the document. Once the agreement is finalized it will need to be adopted by the Member Cities.
- With the HD upgrades for City equipment nearly complete, an HD channel for city programming will be requested from Comcast. Once a request has been made for the channel it will take approximately 90 days for the upgrade. At that time an SD channel will be returned to Comcast in exchange for the HD channel.
- First quarter franchise fees, PEG fees and corresponding reports have been received. It would appear that subscriber numbers may be up slightly, but that subscribers may be purchasing fewer services.
- Staff and Legal Counsel met with Comcast representatives for a franchise renewal kick-off meeting. Needs and priorities were discussed by both parties. The next step is to create a draft franchise document.

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

- H. Arnson requested anticipated 2020 benefits and COLA amounts from Cities, to aid in the Commission 2020 budgeting process.

**ADJOURNMENT**

The meeting was adjourned at 11:45 a.m.

## Report: Cord Cutters Not Turning to Streaming vMVPD Alternatives in Big Numbers

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[telecompetitor.com/report-cord-cutters-not-turning-to-streaming-vmvpd-alternatives-in-big-numbers/](https://telecompetitor.com/report-cord-cutters-not-turning-to-streaming-vmvpd-alternatives-in-big-numbers/)

Joan Engebretson

Only 40% of the 1.4 million traditional linear pay-TV subscriptions lost in the first quarter of 2019 were recaptured by equivalent over-the-top (OTT) offerings, according to new video cord cutting economics research from analysts at financial research firm MoffettNathanson.

The companies that provide those equivalent OTT offerings have come to be known as virtual multi video programming distributors (vMVPDs), and their offerings include Hulu Live, YouTube TV, DirecTV Now, Sling TV and others.



MoffettNathanson researchers see these results portending a trend that could drive content owners to move toward direct-to-consumer offerings. They point to Disney's planned Disney+ offering as an example of this kind of service, commenting that "We've described Disney's planned suite of direct-to-consumer services as a 'lifeboat,' ready and waiting if the status quo deteriorated to the point that it came time to abandon ship. . . [I]t may still be too early to abandon ship . . . but it's not too early to put on the lifejackets."

### Video Cord Cutting Economics Research

Some industry observers had expected more people who dropped traditional pay-TV to switch to vMVPD offerings but according to MoffettNathanson, that's not happening to the extent expected because vMVPD offerings are becoming nearly as "bloated" as traditional pay-TV offerings. People often drop traditional pay-TV because they don't like paying for channels they don't watch, but increasingly, content owners are also requiring vMVPD providers to take channels they don't want, either.

As OTT skinny bundles become less skinny and more expensive, their appeal to video cord cutters fades. Instead some video cord cutters are relying on traditional over-the-air television and subscription video on demand (SVOD) offerings. The latter include services such as Amazon Prime and Netflix.

Moving forward, MoffettNathanson researchers expect to see a "bifurcation" between sports/news, which will continue to be delivered over linear offerings (but at greater cost to consumers), and general entertainment – and they see Disney as the only



content provider poised to succeed in both markets.

For other providers of entertainment content, the worst-case scenario is that erosion of traditional linear pay-TV providers “will continue apace . . .but without growth among the vMVPDs, [the] conversion rate will fall further, and more and more households will exist solely outside the existing pay-TV model,” researchers said.

That scenario could force content providers into direct-to-consumer (DTC) offerings akin to Disney’s planned Disney+ service. But according to the researchers, “No one can match Disney’s combination of universes, characters and back catalog . . . [O]ther media companies don’t have the same DTC opening that Disney has.”

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# **Elon Musk & Jeff Bezos Can Save American Households \$30+ Billion with LEO Satellites**

Low Earth Orbit (LEO) satellites are still in their nascency, but analysis of BroadbandNow US market pricing data suggests that the technology could save American households more than \$30 billion per year by intensifying broadband competition.

LEO satellites, such as the constellations planned by Elon Musk's SpaceX Starlink project and Jeff Bezos' Project Kuiper, promise to bring low-latency broadband internet to millions of Americans. LEO satellite orbit extremely close to earth, between 99 to 1200 miles versus 22,000 miles of traditional GEO satellites, which means less time to transfer information (lower latency) and a quality of service comparable to wired broadband cable and fiber providers. The arrays will be precisely mapped into massive constellations to maximize coverage.

LEO technology will offer robust internet access to underserved and rural communities lacking wired, low-latency broadband options. The arrival of this emergent technology is likely to drive down monthly internet prices for hundreds of millions of Americans.

## ***Competition Drives Down Pricing***

Americans with access to multiple broadband-level options for internet service tend to pay lower prices on average than those who have just one option in their area.

According to analysis of BroadbandNow's market-wide pricing database covering plans and pricing from more than 2,000 ISPs, the average "lowest available monthly price" for the estimated 104 million Americans with only one wired broadband provider is \$68. For the 75 million Americans with two choices, that average lowest price drops to \$59. For the lucky 15 million Americans with five or more choices, it's \$47.

The chart below illustrates this effect. Because LEO technology will ostensibly be available everywhere in the US, this indicates the powerful influence the entrance of the technology will have on internet prices as new markets gain access to an additional true "broadband" option and competition heats up.

## ***Mean Average Lowest Monthly Price by Number of Internet Providers***

## ***Adding LEO Satellite to the Mix Can Save Americans \$30 Billion***

**+**

Our projections show that that low-latency, LEO satellite internet is likely to have a similar impact on average regional prices as wired, low-latency wired providers. Extrapolating this additional competitor across all US households, the introduction of LEO satellite internet could save Americans over \$30 billion.

If we assume that just Elon Musk's Starlink launches, then the 263 million Americans with three or fewer wired broadband providers in their area could collectively save over \$14 billion through reduced monthly prices (according to the chart above). The remainder of Americans with four or more providers could save an additional \$4 Billion, pushing the savings to \$18 billion.

If both Starlink and Project Kuiper launch, the savings is likely to be even more dramatic, which we estimate to be more than \$30 billion as Americans have two additional choices. The chart below shows the population by number of wired broadband providers. As an appendix to this report, you can see a table with additional detail, including pricing.

Finally, Americans who currently have no wired providers, or no providers at all, will have access to high performing internet, bridging the digital divide and bringing around 10 million Americans up to speed with the rest of the nation.

# Verizon's Vestberg: 'Millimeter Wave Has Lived Up to Our Expectation on Performance'

CEO defends his company's bet on high-frequency spectrum for its 5G rollout as evidence mounts that it's not economically feasible

Daniel Frankel

Will Verizon abandon its effort to make millimeter wave spectrum a key component for both its fixed wireless and mobile 5G network rollouts in major urban areas, given that a growing body of evidence suggests that the density required for the spectrum's use is economically infeasible to build?

Speaking during Verizon's first quarter earnings call Tuesday, Verizon CEO Hans Vestberg sidestepped the question. Millimeter wave spectrum, he said, "has lived up to our expectation on performance."

He did concede, however, that "We will need to remind ourselves that this is not the coverage spectrum because we will do it as far as it is economically sustainable."

High-band millimeter wave spectrum has been an early focus in Verizon's rollout of fixed wireless 5G services in markets including Los Angeles, Houston, Indianapolis and Sacramento. It is through millimeter wave that Verizon can truly deliver on its promises for the kinds of high speeds and low latency that could steal market share from cable companies.

But as research firm MoffettNathanson pointed out in detailed report on Verizon's Sacramento 5G rollout, the company faces a seemingly impossible task in creating enough small-cell density to achieve ubiquitous millimeter wave coverage of fixed 5G services.

In fact, in its very spotty early fixed 5G deployments, MoffettNathanson noted, "even a 100-fold improvement in their current coverage and penetration wouldn't be enough to make their existing architecture economically interesting."

And earlier this week, T-Mobile CTO Neville Ray piled on, noting in a [blog post](#), "Some of this is physics—millimeter wave (mmWave) spectrum has great potential in terms of speed and capacity, but it doesn't travel far from the cell site and doesn't penetrate materials at all. It will never materially scale beyond small pockets of 5G hotspots in dense urban environments."

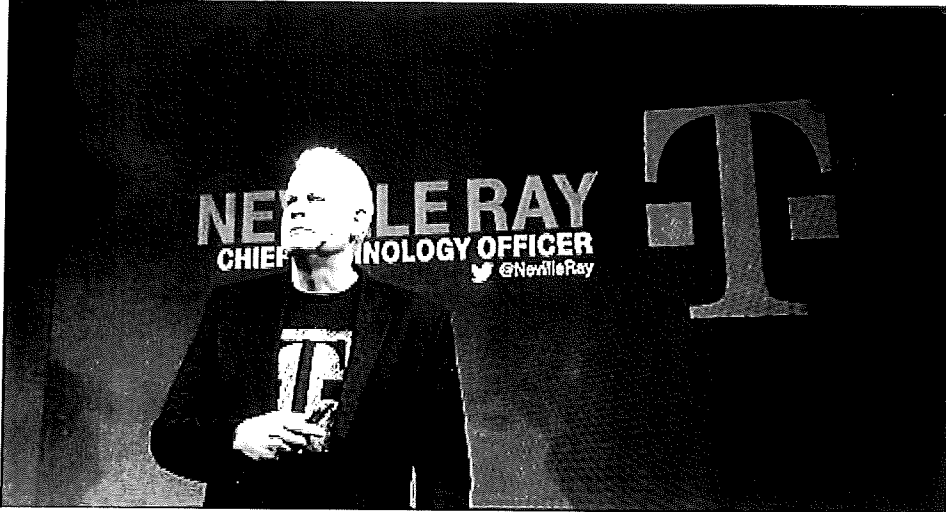
Then, in a report released this morning, MoffettNathanson doubled down, wondering if Verizon had "bet on the wrong (spectrum) horse," and also if the wireless company

should pivot to acquiring more mid-band spectrum. This would deliver lower performance but at more cost-effective infrastructure needs

Still, Vestberg seemed to hold out hope for millimeter wave. "We're very early on in the journey," he told investment analysts. "I think that no one else in the whole industry knows more than Verizon about [millimeter wave] ... From what we have seen on it, it's a good strategy."

# T-Mobile says 5G mmWave deployments ‘will never materially scale’

by [Kendra Chamberlain](#) |  
Apr 22, 2019 12:04pm



T-Mobile CTO Neville Ray said the carrier will deploy 5G on mmWave spectrum in dense urban environments and venues. (Mike Dano/FierceWireless)

T-Mobile CTO Neville Ray says that millimeter wave (mmWave) spectrum won't benefit many consumers. Much of the hype around 5G has centered on mmWave technologies, which operators Verizon and AT&T have focused on in delivering enhanced mobile broadband to wireless subscribers.

But, pointing to Verizon's recent 5G network launch in parts of Chicago and Minneapolis, Ray wrote in [a blog post](#) that mmWave won't be able to deliver on the promise of 5G because it doesn't travel far.

"Millimeter wave (mmWave) spectrum has great potential in terms of speed and capacity, but it doesn't travel far from the cell site and doesn't penetrate materials at all," Ray said. "It will never materially scale beyond small pockets of 5G hotspots in dense urban environments."

T-Mobile's 5G deployment strategy has [hinged on prioritizing coverage](#) over speed or capacity. Ray noted that the company has a portfolio of low-band spectrum that can offer wide area coverage. T-Mobile acquired licenses to 30MHz of low-band spectrum in the 600 MHz spectrum band for \$8 billion in 2017 for its 5G deployments.

T-Mobile CEO John Legere has said in the past that the carrier will deploy 5G on [all its spectrum bands](#), including its 28 GHz and 39 GHz airwaves. But, compared to its competitors Verizon and AT&T, T-Mobile has a [relatively small number](#) of mmWave spectrum licenses. The company only has 200MHz or more LMDS (28-31GHz) spectrum [in 9 of the Top 25 CMA markets](#), according to AllNet Insights & Analytics. But

T-Mobile also participated in the most recent FCC auction for mmWave spectrum, and has indicated that it's interested in acquiring more mmWave spectrum.

Ray noted T-Mobile will deploy its mmWave spectrum in "dense urban areas and venues where large numbers of people gather."

But much of T-Mobile's "5G for all" strategy will require regulatory approval of its merger with Sprint. Sprint has anchored its 5G plans on mid-band spectrum.

"Sprint has the critical middle layer of 2.5 GHz mid-band spectrum, which provides the balance of coverage and capacity that enables a seamless and meaningful 5G experience. Mid-band spectrum is key to providing an ideal mix of coverage and capacity for 5G networks," Ray said.

Sprint has deployed its 2.5 GHz spectrum to around 70% of its cell sites, and it has more than 25,000 mini macros and strand mounts deployed across the country. The carrier also completed the world's first over-the-air 5G data transmission using 2.5 GHz and Nokia's Massive MIMO technology on the carrier's live network.

Should the FCC approve the merger with Sprint, the resulting "New T-Mobile" company will utilize the combined mix of spectrum bands to deliver 5G to consumers across deployment scenarios, Ray said, including rural environments.

"The New T-Mobile will utilize its low-band and mmWave spectrum, along with Sprint's mid-band spectrum to deliver a broad and deep truly nationwide 5G network," he said.

T-Mobile and Sprint are hoping for the merger to be approved by the second quarter of 2019. After recently pausing the merger "shot clock" for a third time, the FCC has less than 60 days to make a final decision on the merger.

# Trump's FCC Is Auctioning the Wrong 5G Spectrum

If the US wants to be a leader, our tests show that Ajit Pai's plan to liberate massive amounts of millimeter-wave airwaves are barking up the wrong light pole.



- By [Sascha Segan](#)
- April 15, 2019 9:42AM EST

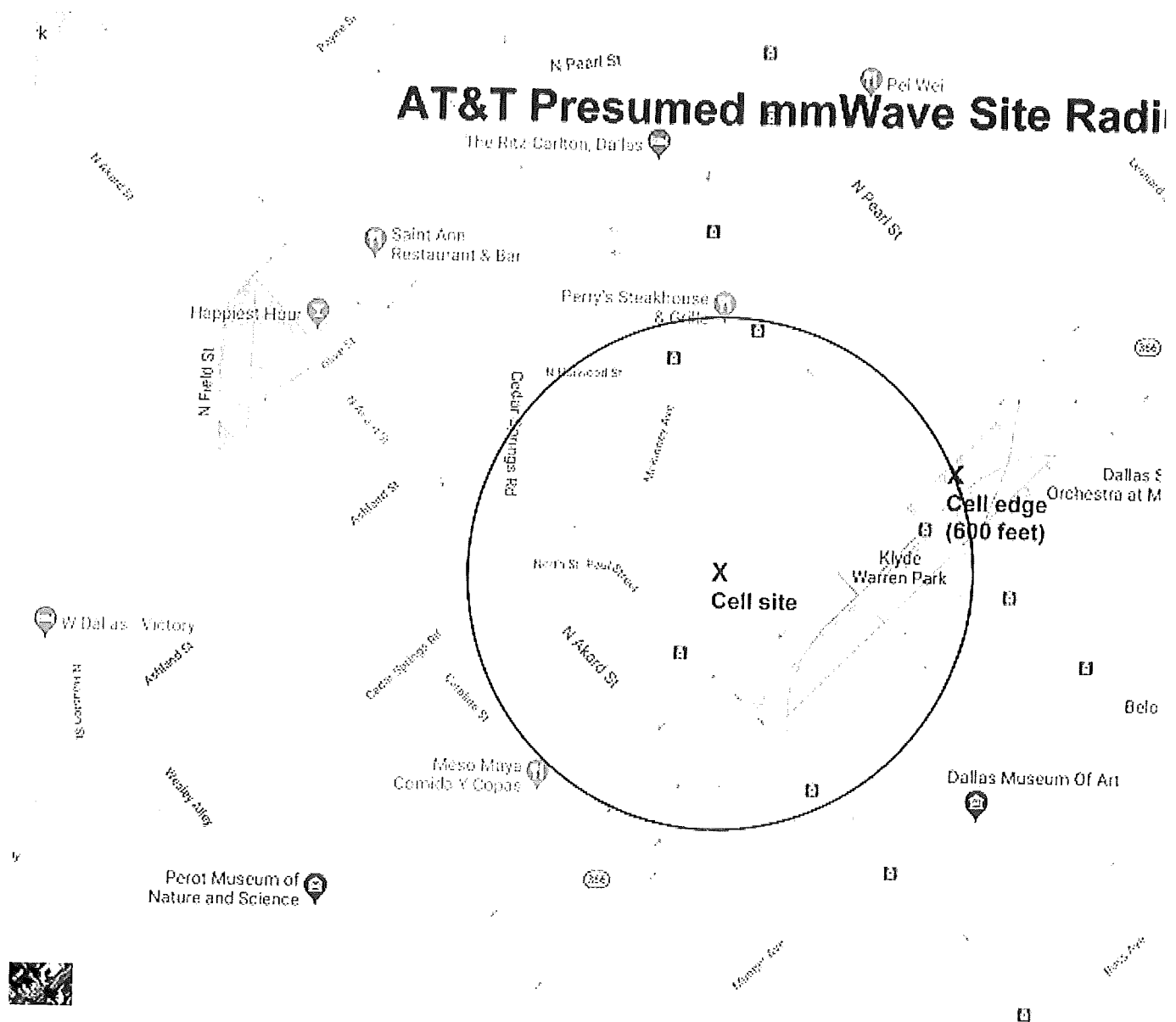
Donald Trump wants the US to be a leader in 5G, and that information highway runs on spectrum, the invisible lanes in the air that transmit data. So at a White House event on Friday, Trump introduced FCC Chairman Ajit Pai, who said the FCC is auctioning off more 5G spectrum than ever: 3.4GHz of extremely high frequency, millimeter-wave airwaves to allow for massive future speeds.

"It's all about 5G now," Trump said. "We were 4G and everyone was saying we had to get 4G, and then they said before that, 'we have to get 3G,' and now we have to get 5G."

But our tests in Chicago and Dallas recently showed that millimeter wave may be the wrong place for the FCC to focus. The millimeter-wave cell sites we saw got between 350-600 feet of range—enough for key downtown hotspots, to be sure, but without the range to cover entire cities or counties. That's far short of what the companies involved have quoted to me in the past. Verizon has given me numbers between 800 feet and 3,000 feet depending on the circumstance.

Verizon and AT&T say millimeter-wave radiuses will improve with time, but what we need right now is mid-band spectrum, between 3.4 and 7GHz. Those airwaves generally have range in the thousands, rather than the hundreds of feet, but they have broad enough bandwidth to make 5G promises into reality. This paper from Ericsson claims that 3.5GHz LTE gives us 2,100 feet in a line-of-sight situation, and about 1,140 feet in non-line-of-sight. That's a much more usable cell spacing than having to put one every 600 feet.





The problem is, while millimeter-wave bands are generally clear, mid-bands have stubborn existing users, including satellite companies and the US Navy. We need bold leadership to clear those bands and repurpose them for modern use. Only that kind of leadership will lead the US to lead in 5G.

One FCC commissioner, at least, agrees with me.

## The Mid-Band Is the Sweet Spot

5G is promoted as having massively faster speeds and lower latency than 4G. That's not because it's magically more efficient; it's probably 30 percent more efficient per hertz of

spectrum. The faster speeds come because 5G can use much larger channel sizes than 4G, which means it needs more spectrum.

So the little 10-50MHz dribs and drabs on which 4G often runs are not ideal for 5G. Oh, they'll work, and AT&T and T-Mobile both have plans to use them, but they won't be transformative. For 5G to change the world, it needs to run on big, broad slices of 100MHz or more.

Huge chunks of spectrum are available up in the millimeter-wave ranges. Verizon has up to 800MHz in many cities; AT&T has 400MHz. With up to 3.4GHz will be auctioned soon, and you can bet T-Mobile and Sprint will get their airwaves, too. But that won't matter for enough people if mmWave is too short-range for city-wide buildouts.

Other countries, including most of Europe, are focused on mid-band 5G in the 3.5GHz band. It turns out to be easier to build mid-band smartphones than millimeter-wave smartphones, too. Both OnePlus and MediaTek told us recently that mid-band products from their companies will be coming before millimeter-wave devices.

Right now, Sprint is the only US carrier with a decent amount of mid-band spectrum: 120MHz in the 2.5GHz band. It initially intends to use 60MHz for 5G, as it's using the rest for 4G. Even Sprint's full allotment won't offer the gigabit-plus speeds we've been promised by 5G, though. For that, you need at least 200MHz at once.

The FCC has been looking at a bunch of different potential bands where it can find that spectrum. There's CBRS, from 3.5GHz to 3.7GHz. There's C-Band, from 3.7GHz to 4.2GHz. There's a band from 5.9GHz to 6.8GHz (with a gap, but pretty much all of that) which is being targeted as an unlicensed band, for Wi-Fi-like services. That's great; we need more unlicensed spectrum. 5G can also use unlicensed bands in a system similar to 4G LAA, an existing system where 4G LTE runs over the 5GHz Wi-Fi band.

The debate over these bands can be very complex. The satellite companies don't want to give up more than 200MHz of the C-band, with various other proposals trying to free up more. 6GHz is subject to a headache debate over whether licensed and unlicensed devices can coexist. There's a plan for CBRS, but it's a spectacularly complicated one involving juggling licensed, unlicensed, and military access.

If our leaders want the US to be a 5G innovation zone, they can't be snowed by announcements of lots of short-range, millimeter-wave spectrum. Our tests show that we'll need more mid-band spectrum to keep up with 5G demand across entire cities and counties. The FCC should prioritize making that available as soon as possible.

# Comcast usage soars 34% to 200GB a month, pushing users closer to data cap

**Median usage hit 200GB, but Comcast won't say how many use a full terabyte.**

Jon Brodtkin - 4/26/2019, 4:15 PM

Comcast said its customers' monthly Internet data usage increased 34 percent between Q1 2018 and Q1 2019, rising to a median of 200GB. The rise is being driven by streaming video, and, in particular, 4K video, Comcast said.

"Our customers' demand for speed and data usage keeps increasing," Comcast CEO Brian Roberts said in a call with investors yesterday ([transcript](#)). "Our median broadband home now uses over 200 gigabytes of data per month, an increase of 34 percent year-over-year, which accelerated from the fourth quarter." (Stop the Cap [reported](#) on Comcast's remarks earlier.)

The median customer is using only about 20 percent of Comcast's 1TB data cap, which is enforced in [27 of Comcast's 39 states](#). But the rise in median usage almost certainly means that more Comcast customers are exceeding the 1TB cap.

As we [reported in January](#), OpenVault research on the US cable industry found that 4.1 percent of households were using at least 1TB a month, up from 2.1 percent the previous year. That same research found that US cable Internet customers were using an average of 268.7GB per month.

Comcast used to reveal the percentage of its customers that exceed its data cap, but the company seems to have stopped making that data public. In late 2013, when the cap was 300GB, Comcast was saying that only 2 percent of its customers used more than that. By late 2015, that was up to 8 percent.

Comcast raised the cap from 300GB to 1TB [in June 2016](#). Comcast says on its [website](#) now that only "a very small percentage of our customers use a terabyte of data in a month," without providing a specific percentage. When contacted by Ars today, Comcast declined to provide a specific percentage.

Comcast's website hasn't been updated to reflect the new 200GB number yet. "As of December 2018, Xfinity Internet customers' median monthly data usage was 174GB during the past six months," [Comcast's site says](#). That same statistic was 151GB as of June 2018.

## Streaming video drives up broadband usage

Comcast would prefer that customers buy Comcast cable TV instead of watching Netflix or other non-Comcast online services. But Comcast cashes in on increased streaming video usage because of its 1TB cap, charging \$10 fees for each additional block of 50GB or \$50 monthly for an upgrade to unlimited data.

"I think that we start with the central view that streaming is going to happen, video over the Internet is more friend than foe," Roberts said.

While Comcast "wish[es] every bit was our bit," customers streaming more online video and particularly 4K video is "in the sweet spot of where this company is going to grow," he continued.

Roberts noted that Comcast has partnerships with Netflix and Amazon to resell their video services on Comcast cable boxes.

"It's a deep, successful, beautiful, elegant integration that the tech teams have done at both companies," Roberts said, perhaps somewhat overselling the installation of a video app on a cable box. "And we've done that with YouTube. And you can imagine we'll do that again with others as the world continues to evolve."

# Verizon and T-Mobile agree much of the US won't see the fast version of 5G

## Rural areas may not get millimeter wave

By [Sean Hollister@StarFire2258](mailto:Sean.Hollister@StarFire2258) Apr 24, 2019, 8:27pm EDT

5G is here, but not all 5G is equal — there's the blazing-fast-but-barely-there millimeter wave 5G which has trouble covering wide areas and penetrating buildings, and the “sub-6GHz” frequency flavor of 5G that can be deployed more easily using existing spectrum.

And now, Verizon and T-Mobile are publicly admitting something that anyone could have predicted: good luck getting the fastest version of 5G unless you live in an urban metropolitan area.

“We all need to remind ourselves this is not a coverage spectrum,” Verizon CEO Hans Vestberg told analysts on the company's Q1 2019 earnings call on Tuesday — just one day after T-Mobile CTO Neville Ray decided Verizon's 5G rollout as one that would “never reach rural America.”

“Millimeter wave (mmWave) spectrum has great potential in terms of speed and capacity, but it doesn't travel far from the cell site and doesn't penetrate materials at all. It will never materially scale beyond small pockets of 5G hotspots in dense urban environments,” Ray wrote. That's probably one of the reasons why we were barely able to find Verizon's 5G network on the day it launched in Chicago.

*mmWave utilizes new spectrum, while sub-6GHz uses the same spectrum as existing 4G networks. Image: Qualcomm*

Mind you, T-Mobile has some ulterior motives for blasting Verizon here. First, the carrier delayed its 5G launch until the second half of 2019, using the (actually pretty convincing in hindsight!) excuse that it's too early to launch a 5G network when there aren't any compatible phones. Second, T-Mobile's still trying to convince US regulators that it needs to be able to merge with Sprint in order to meaningfully compete on 5G, particularly now that the deal is reportedly unlikely to be approved as proposed.

And Verizon had already suggested to *The Verge* that it might not spend the money to bring the fastest 5G to everyone: “Our ambition is large... that doesn't mean we're going to blanket every corner of the country with millimeter wave,” Verizon chief network officer Nikki Palmer told me in December, when I wrote about how AT&T and Verizon were planning to wow with speed before attempting to going broader with “sub-6” 5G.

“We will do it as far as the economics are sustainable, of course,” Vestberg said yesterday.

Verizon says it now has several mmWave phones coming, including the Samsung Galaxy S10 5G; a rumored, teased, but previously unconfirmed 5G-enabled Galaxy Note; and the LG V50 ThinQ.

# Google will pay Louisville millions to fix roads after failed Fiber experiment

## \$3.84 million will be paid over the next 20 months

By [Jon Porter@JonPorty](mailto:JonPorter@JonPorty) Apr 16, 2019, 5:50am EDT

*Image: Google Fiber*

Google has agreed to pay the Louisville Metro Government \$3.84 million over the next 20 months to repair the damage caused to the city by its ill-fated Google Fiber service. The money will be used by local authorities to remove the company's infrastructure from the city's roads and to repave areas where needed after the service ceased operation yesterday.

"Infrastructure in neighborhoods and public properties affected by Google Fiber will look as good or better than they did before the company began construction," according to Louisville Metro's Chief of Civic Innovation and Technology Grace Simrall.

Alphabet, Google's parent company, announced the service would be ending in the city back in February. The company's problems in Louisville stem from its decision to lay its cabling just inches beneath the road's surface, in part because incumbents like AT&T attempted to block Google from sharing its utility poles. Unfortunately, this "shallow trenching" method meant that the cabling became exposed and damaged over time, and eventually Google Fiber decided to end the service rather than have to rebuild the entire network.

"Discontinuing service in Louisville was a very difficult business decision for Google Fiber"

Google said in February that the lessons learned from the failure of using such shallow trenches "have already made us better in our other Google Fiber cities." The service remains available in 16 other cities including San Diego, San Francisco, Austin, and Seattle.

Along with paying to repair the city's roads, Google has also contributed \$150,000 to the city's digital inclusion fund which provides refurbished computers to those on low-incomes and helps to provide cheap internet to residents in public housing.

"Discontinuing service in Louisville was a very difficult business decision for Google Fiber, and we will forever be grateful to Mayor Fischer and his team for their commitment to the residents of Louisville and their dedication to driving internet

connectivity and digital inclusion across the city,” said Google Fiber’s General Manager Mark Strama.

Despite Google Fiber’s failure in Louisville, its involvement appears to have spurred other providers to offer more fiber services. AT&T has outpaced Google at connecting homes to fiber internet according to CNET, even if its service is more expensive than Google’s.

”It’s clear that Google Fiber’s presence in Louisville led other providers to step up and increase investment in Louisville, and that was good news for consumers everywhere,” Louisville Metro’s Grace Simrall said.



# POTs and PANs

## Pretty Advanced New Stuff from CCG Consulting

May 3, 2019

### The Regulatory Pendulum

#### 1 Comment

(<https://potsandpansbyccg.com/2019/05/03/the-regulatory-pendulum/pendulum-clock/#main>) Many years ago I took an economics course in regulatory theory. That's a course that looks at how government can and should regulate markets. Economic theory makes it clear that most markets trend towards consolidation over time and at the point where large companies come to dominate a market that the biggest companies inevitably engage in monopolistic behavior.

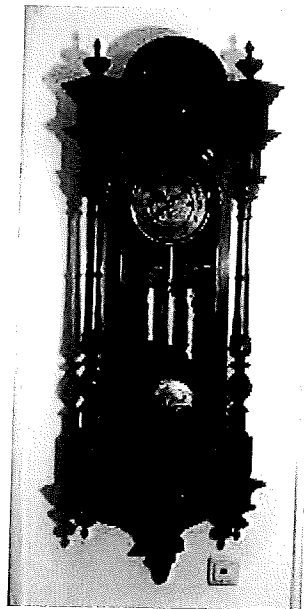
I got to thinking about the topic lately as I've been reading about how politicians in the US and in Europe are thinking about ways to regulate large internet platforms like Google and Facebook. Those companies are clearly monopolies in their sector.

My real interest is in the way that we regulate broadband, which has grown to be one of the most important industries in the country. It's interesting to compare the way that broadband is regulated compared to almost any other important sector of the country. Banks have bookshelves full of regulations. Big electric companies are highly regulated. There are tons of safety and other regulations concerning our food and drug industries.

The most lightly regulated industry in the US are the web companies like Google and Facebook. There have been very few attempts to regulate them in this country. Europe has taken a more normal regulatory approach and has imposed various kinds of privacy and consumer protection regulations on the industry to protect customers. Europe is debating if there should be even stronger regulation.

Broadband is the second least regulated major industry in this country. The current FCC killed what little regulation we had when they killed their own Title II authority. Even before the FCC axed Title II regulation the broadband industry was barely regulated, with only a few rules concerning net neutrality and privacy. All that's left now are some minor regulations such as CALEA, where an ISP must allow law enforcement to wire-tap or track customers with a subpoena. FCC Chairman Pai calls the current regime 'light touch' regulation, but what we have now is basically no regulation. It would be more accurate to say that we used to have light touch regulation before the FCC killed net neutrality and Title II, since even then our ISPs were far less regulated than other major sectors of the economy.

We still have some regulation of broadband by the Federal Trade Commission. However, that barely counts as regulation because the FTC regulates only by exception – they can go after an individual ISP



for bad behavior that harms the public, but each case is individual and doesn't create a rule that stops other ISPs from engaging in the same behavior. The hope is that other ISPs modify their behavior due to an FTC ruling, but without the ability to create rules the FTC has no real regulatory teeth. They are more like the traffic cops of the industry handing out random speeding tickets rather than a real regulator.

Regulatory theory says there are two major tools that can be used in a monopolistic industry. The first is a strong regulatory agency that can set firm rules that prohibit bad behavior and that also encourages good behavior. That's what the FCC is supposed to be doing – but they killed Title II regulation and gave away their authority to regulate broadband.

The other regulatory tool is antitrust. The FCC and the DOJ get to weigh in on possible mergers and are required to decide if the mergers are in the public interest. They occasionally turn down mergers like the merger attempt a few years ago between AT&T and T-Mobile. But for the most part, we've had weak antitrust regulation and most mergers have gone through. The ISP industry is dominated by a handful of huge companies, and they continue to grow larger and more dominant, such as the the merger of Charter and Time Warner Cable.

The flip side of mergers is divestiture and there has only been one major divestiture in the industry when the courts decided to break AT&T into multiple parts. That divestiture lasted only a few years and AT&T was able to reassemble many of the divested companies into one entity again.

I think it's inevitable that broadband will eventually be regulated again. Governments that don't regulate monopolies pay dearly. Right now there is nothing stopping the ISPs from shooting broadband prices up to \$100 or from harming the public by selling customer data. the big ISPs talk a good public game, but there are almost no constraints on any bad behavior.

Every industry goes through a cycle called the regulatory pendulum. When regulations grow too harsh the big companies gain sympathy for relaxing some of the rules. But as rules relax, big companies seem to be unable to resist taking advantage of customers – and eventually the regulations are again tightened.

We are now at a regulatory extreme with broadband. The primary regulator, the FCC, has washed their hands of regulating broadband. The FTC occasionally makes an appearance and levies a fine but doesn't really regulate. Mergers are more likely to go through than not, and so we see continued consolidation of the industry. The ISPs will eventually be unable to constrain themselves from flexing their monopoly power. When they go too far and the abuses mount up we'll see the regulatory pendulum swing the other way. There's no telling how long that might take – but it's inevitable.

Posted by CCGConsulting in Regulation - What is it Good For?

## One thought on “The Regulatory Pendulum”

### 1. **douglas orr** says:

May 3, 2019 at 9:36 am

We're in an interesting moment. There have been a spate of articles in the conservative press about how awesome it is that we have big companies. National Review, WSJ, mises.org are all glowing

about the incredible advantages of large company power. The key phrase is “market warping.” Conversely, places like Axios and Vox are churning out pieces on “we have monopolies in most consumer brands, all forms of food production, meat packing,” ... etc. The key phrase is “lack of competition.” (And, privacy threats and corporate overreach, etc.)

I’m assuming this is all “softening the ground” or “loin girding” given various candidates’ rhetoric on anti-trust or big company breakups. Having had some exposure to marketing campaigns it’s more than a little disappointing to see the degree to which media is used to sway public opinion. Why does this story need to be told in multiple outlets, just now... It’s more an issue of “fake urgency” than “fake news.”

The problem in broadband is that we nurtured monopolies in areas that require immense investments in infrastructure to get started, so just slowing down or breaking up the incumbents doesn’t necessarily improve the outcome. Unless we treat network pathways as public right-of-way — like freeways — we’re unlikely to see any real change no matter where the regulatory pendulum has swung.

And, Agit Pai is delusional or craven or maybe both. Interestingly, the politicians’ approach to finances in the City of London was “anything between consenting adults.” Which sounds a lot like “light touch.” That was, of course, before the financial crisis and one of the major contributors to why the EU managed to have an even worse time in the financial crisis than we did. Extraordinary popular delusions and Hyman Minsky have a lot to say that isn’t followed nearly closely enough by the anti-regulation zealots.

Overall, we need a clearer view of how markets do and don’t work and what the basic physics issues are, around making networks that can support robust competition.

**Reply**

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