

W.T.C.

Memorandum Date: January 25, 2006
Order Date: February 8, 2006

TO: Board of County Commissioners
DEPARTMENT: County Administration Office
PRESENTED BY: Peter Thurston, C&ED Coordinator
AGENDA ITEM TITLE: ORDER/IN THE MATTER OF PROVIDING DIRECTION TO
STAFF ON CABLE TELEVISION FRANCHISE
NEGOTIATION GOALS AND OBJECTIVES

I. MOTION

It is moved that the Order be adopted in the matter of providing direction to staff on cable television franchise negotiation goals and objectives.

II. AGENDA ITEM SUMMARY

Lane County is a local franchise authority (LFA) and has a franchise with Charter Communications to provide non-exclusive cable television services in unincorporated communities and areas of the county adjacent to small cities. Charter does not serve areas adjacent to the Eugene/Springfield metro area, or in and around the city of Junction City, where Comcast provides cable service.

Charter and Lane County are currently in negotiations for franchise renewal for all unincorporated areas served by Charter, in accordance with rules under the federal Telecommunications Act. The franchise is due to expire in June 2007. Lane County Community and Economic Development program has been assigned over the past three years to manage franchise issues and coordinate negotiations with Charter for renewal of the franchise. The process has reached a point in the discussions with Charter where specific direction is necessary to finalize renewal in the coming year. The final franchise needs to include the goals and objectives of the board of county commissioners that may be accomplished through the franchise. The Order provides direction to staff on the goals and objectives the Board would like included in the negotiations.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

In 1992, by Ordinance 6-92, the Lane County Board of Commissioners established

a cable television franchise covering unincorporated areas such as McKenzie River Valley, Mohawk Valley, Noti, and Mapleton; and areas adjacent to small cities around the county. Attachment A shows generally where these Charter cable television service areas are located. The rules that govern the franchise process are authorized in the federal 1996 Telecommunications Act. Charter's franchise is set to expire in June 2007.

B. Policy Issues

Policy issues regarding the franchise negotiations have to do with 1) prudent management of the revenues due Lane County under the franchise, and 2) the importance of PEG (Public access, Education and Government) channel services such as educational/distance learning, and public information about county governance, and 3) public services that cable television may enhance if the cable system delivered public information channel services on all cable television systems.

The Order includes directions to staff for continued negotiating with Charter in the coming year. The direction to staff includes specific audit and survey work that may be conducted with the assistance of outside consultants to evaluate past payments to Lane County by Charter and the current condition of the facilities and services. Where possible, surveys and audits will be conducted with involvement by Charter. Also, the direction includes some specific guidance regarding development of a system that delivers the Board of County Commissioner's meeting to rural areas of the county on the Charter cable system, coordination of PEG cable channels among public agencies in Lane County, and facilitation of distance learning and educational programming throughout the county.

C. Board Goals

Lane County Strategic Plan goals include the following outcomes that are affected directly and indirectly by cable television services: 1) "work for a strong regional economy" . . . is enhanced when people in all communities of the county have access to meetings of the Board of Commissioners that promote economic development; 2) providing "opportunities for citizen participation in decision-making, voting, volunteering, and civic and community involvement" . . . are directly affected by education and government information on cable television channels; 3) "ensuring the public's safety . . . emergency preparedness . . . [and] law enforcement" . . . is facilitated through public information channels. Many other public benefits are derived when public channels are available in a uniform way wherever cable television facilities exist.

The Board of Commissioners has expressed the objective of providing public

access to Board of County Commissioner meetings on cable television channels throughout the county. To date, this objective has not been included in a formal action of the Board of County Commissioners. Lane Community College distance learning programming runs over the PEG channel serving Cottage Grove. In line with the board's super goal of serving children, distance learning is an efficient method of meeting educational needs where distance is a barrier. The purpose of this discussion is to get specific direction from the Board of County Commissioners on priorities to pursue and the level of financial and technical information the board wants at hand for the franchise renewal in 2007.

D. Financial and/or Resource Considerations

Based on federal cable television franchising authority, Lane County receives a 5-percent franchise fee on cable television services delivered outside the municipal jurisdictions in the county. Lane County's franchise revenue from Charter to the general fund has been about \$160,000 per year. This revenue source is at risk, as described in the analysis, below, if federal legislation removes local governments' from the local franchise process. Current legislation under consideration in Congress would even remove the local government authority to regulate or charge fees for private business use of public rights-of-way in the jurisdiction of the local government. As indicated in Attachment D, the BITS II bill redraft from this past year "pulled back from significant progress on local issues . . . [and] . . . does not protect local governments' core police powers."

Possibly the greatest financial impact is on the local economy. Efficient and effective telecommunications services county-wide, coordinated emergency services communications, telecommunications systems for education and training must be developed and improved to provide equal access to telecommunications services in rural areas of Lane County. Private telecommunications companies have not provided the full range of such services at affordable prices in rural areas. The result of inefficient and outdated telecommunications systems is lower competitiveness. Highly efficient telecommunications, particularly broadband internet access (see summary statements on Attachment C – *Measuring Broadband Economic Impacts*), will provide the basis for unlimited opportunities and the resulting economic improvement, more stable taxes to support public services, and an open and competitive system of communications. In Lane County, Charter currently provides broadband access only in the Florence/Dunes City cable television system.

Staffing for the various components of telecommunications planning, franchise negotiations, management of consultants, and monitoring development of systems is not sufficient to develop coordinated telecommunications within Lane County's area of over 4,600 square miles. Currently, staffing is provided for: (1) cable television franchise negotiations, 2) monitoring of general telecommunications

policies, and 3) development of occasional projects. What is missing is development of a county-wide telecommunications strategic plan and facilitation of priority elements of this plan. At this time, the estimated commitment of these telecommunications activities in 2006 is 25 percent of the Community and Economic Development Coordinator's time, plus targeted consultant services. There is about \$65,000 set aside in the Community and Economic Development budget for consultant services. If the Board so directs, these funds will be used in part for audit and performance survey by consultants. The currently C&ED staffing plan has sufficient time and resources to: 1) negotiate franchise agreements in 2006 and 2007, 2) keep Lane County engaged in legislative and regulatory issues, and 3) carry out intergovernmental and interagency coordination.

E. Analysis

Cable television franchise renewal policies have a significant impact on the public and the county organization. The cable television system operated by Charter Communications is scattered across most of the 4,600 square miles of Lane County (See Attachment A). It is comprised of many small systems, developed over the past few decades, now consolidated under the Charter franchise.

The Charter consolidation of services among all of these cable facilities is accomplished by generating "head end" signals at three points: 1) Cottage Grove (for eastern Lane County and adjacent areas); 2) Florence; and 3) Mapleton. The capacity of each system varies in the number of channels it can handle, from about 30 in Mapleton to over 150 channels in Florence/Dunes City, as shown in the channel line-up (Attachment B).

The underlying question in the cable television franchise negotiations process is: what are the costs and benefits from committing time and resources to these activities? What legal authority exists for Lane County government to affect change in cable TV franchises?

By way of example, the results of no telecommunications planning for county-wide cable television services over the past three decades has resulted in a patchwork of cable TV systems of various capacities. Even with two cable service providers (one urban-area and another rural-area) during the past decade, the capacity has not been developed to deliver essential public information (such as Board of Commissioners meetings) to a county-wide audience, much less county-wide general service or government emergency information programming. This lack of a way to reach all residents through the most pervasive method of information and entertainment (television) has a negative impact on people's perception of their government. The rural areas are isolated by distance from governmental actions and elected officials. The lack of connection and interaction with local government likely affects voters' view of county government initiatives. The question before the

Board is whether to continue the ad hoc process of the past, or establish telecommunications objectives in the cable franchise that will improve telecommunications-based education, training, governmental services information, interactive capacity, and other public services.

Political and Regulatory Influences. All of the issues of local control mentioned above may be swept away if federal legislation and regulatory activities by the Federal Communications Commission remove involvement in franchise of cable television, including franchise fees and requirements for PEG channel support. Attachment D provides background from LOC, NLC, NATOA and others. It is important to stay in touch with these issues as significant changes are made beginning in January 2006 and over the next couple years that will affect local government franchise authority.

F. Alternatives/Options

The Board may adopt all or components of the Order, amend portions of the Order, or decide not to take any action at all. There is no requirement that any action be taken.

Option 1 – Adopt the Order as presented to provide specific guidance to staff for negotiating franchise renewal with Charter.

Option 2 – Decide to add or remove items in the proposed Order and then adopt the amended Order.

Option 3 – Request clarification of portions of the Order before taking action, and postpone action to a later date.

Option 4 – Determine not to adopt any of the provisions of the Order at this time.

V. TIMING/IMPLEMENTATION

The next franchise negotiation meeting with Charter is scheduled for February 21.

VI. RECOMMENDATION

It is recommended that the Order be adopted including direction to implement franchise renewal priorities and collect information for franchise negotiations, including intergovernmental coordination of PEG channels.

VII. FOLLOW-UP

Upon approval by the Board, franchise negotiations in the coming year will include the issues and goals established by the Board. A recommended franchise will be returned for Board approval when agreement is reached.

VIII. ATTACHMENTS

ORDER

A – Map of Charter service area

B – Charter Channel Line-up for Lane County service areas

C – *Measuring Broadband's Economic Impact* summary statements

D – Letter from NACO, NATOA, and others on national telecommunications legislation

\\BCC Charter request for rate change 1-06a.doc

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

**ORDER NO.) IN THE MATTER OF PROVIDING DIRECTION TO STAFF
) ON CABLE TELEVISION FRANCHISE NEGOTIATION
) GOALS AND OBJECTIVES**

WHEREAS, Lane County is a local franchise authority for the unincorporated areas of the county, including about 4,000 Charter Communications subscribers in and around communities across Lane County's 4,600 square mile area, and

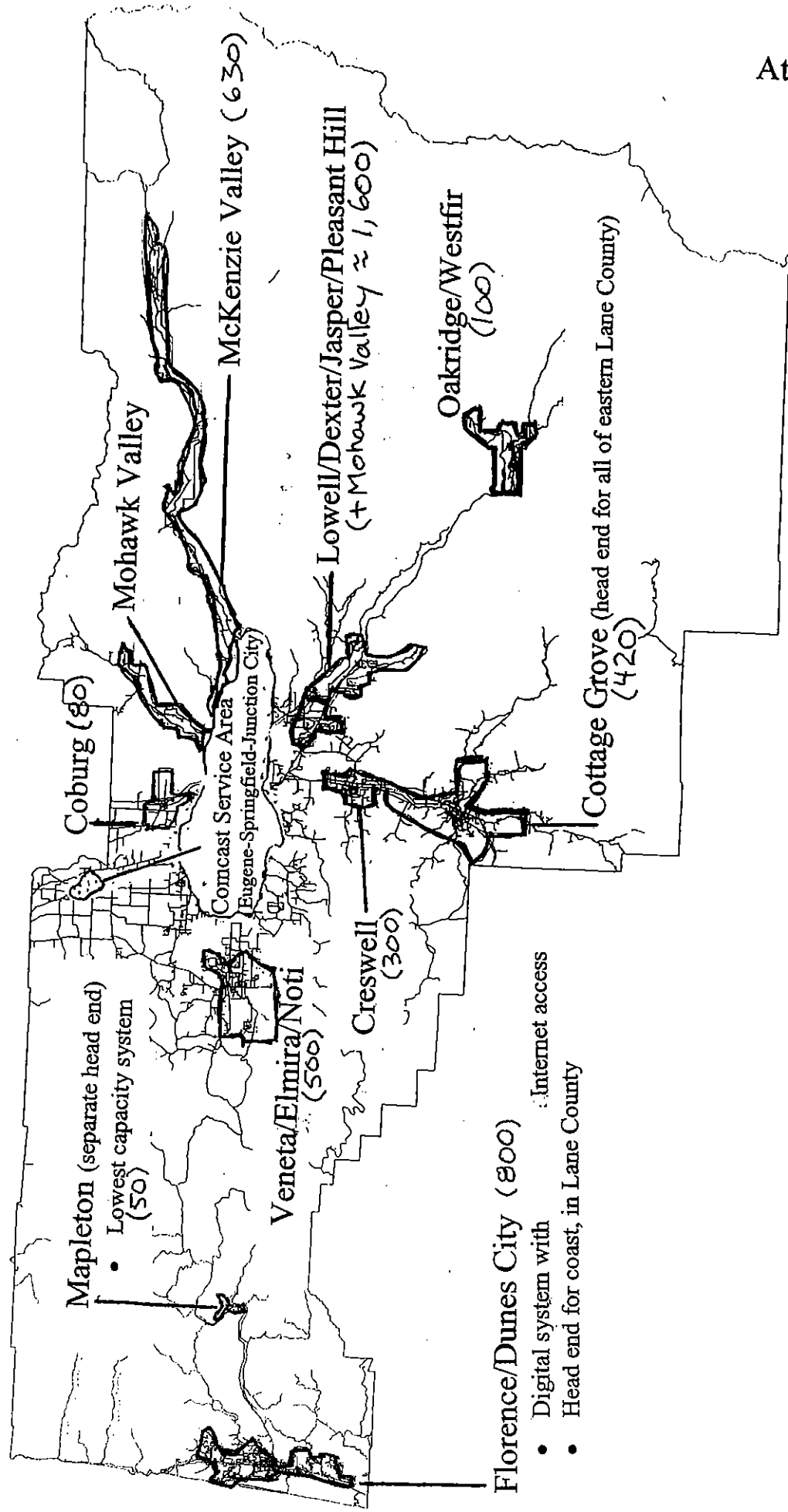
WHEREAS, negotiations are under way with Charter for continuation of cable television services in Lane County, including provisions for public access and involvement, education/distance learning programs and, cable television information about local government business, and

WHEREAS, uniform and reliable public information, public safety, and public involvement telecommunications facilities are essential in all Lane County communities, NOW, THEREFORE, IT IS HEREBY:

ORDERED that the following actions shall be undertaken to encourage competitive telecommunications services, economic development, public safety, interactive distance learning and educational opportunities, universally available local government information, and information that promotes public involvement in their local governments:

- 1) Lane County staff is directed to actively implement and advocate for the following provisions in the on-going franchise renewal negotiations with Charter Communications in the coming year, including: a) Provision for Board of County Commissioners public meetings to be shown throughout Charter's service areas in Lane County, b) coordination of Public Access, Education and Government (PEG) channels with other local franchise authorities (cities) and educational organizations in Lane County to maximize benefits for all parties, and c) secure professional services to audit Charter payments and evaluate the service quality of the Charter cable television system in Lane County.
- 2) Lane County will participate in regional and national initiatives coordinated by the National Association of Counties (NACo) and the National Association of Telecommunications Officers and Advisors (NATOA), that promote and support: a) continued Right of Way (ROW) control by local governments, b) meaningful involvement by local governments in franchising local cable television services, including provisions for PEG channels, and c) retention of the right of local governments to facilitate, own and operate telecommunications systems as they determine in the public interest.
- 3) Lane County will advise the Oregon Delegation to Congress, and other elected and appointed officials, and the FCC, of the county initiative in promotion of essential telecommunications services and to ensure that federal authorities and legislation do not

Charter Service Areas in Lane County



(*s in parenthesis are approximate subscribers in unincorporated areas.)

Channel Line-up

Communities Served: Florence/Dunes City

It's time to get hooked on Charter.

Effective 12/31/05
Programming subject to change.

February 1, 2006

Current Price

Difference

CHARTER CABLE TV™

Basic Cable	\$23.94	\$18.15	\$5.79
Expanded Basic Cable	\$25.05	\$22.94	\$2.11
Basic & Expanded Cable	\$48.99	\$50.99	-\$2.00

CHARTER DIGITAL TIERS

(When purchased a la carte, includes music channels and DVR where applicable.)			
Family & Information Tier	\$5.00	\$5.00	N/C
Movie Tier (Showtime Unlimited)* \$5.00	\$5.00	\$5.00	N/C
Sports Tier	\$5.00	\$5.00	N/C

*When purchased in conjunction with a digital value package.

DIGITAL PREMIUM NETWORKS

(When purchased a la carte)			
HBO (5 chs)	\$13.00	\$13.00	N/C
CineMax (4 chs)	\$11.95	\$11.95	N/C
Showtime Unlimited (8 chs)	\$14.95	\$14.95	N/C
Starz/Encore (8 chs)	\$13.00	\$13.00	N/C
HBO/Max Pak (9 chs)	\$13.00	\$13.00	N/C
Encore (6 chs)	\$5.95	\$5.95	N/C

CHARTER PAYER-VIEW (per activity)

Movies	\$3.99	\$3.99	N/C
Adult	Varies	Varies	N/C
Events	Varies	Varies	N/C

VIDEO EQUIPMENT RENTAL

Standard Digital Receiver	\$3.95	\$3.95	N/C
CableCARD	\$1.50	\$1.50	N/C
Additional Remote	\$0.15	\$0.15	N/C

OTHER SERVICES

Integrated Interactive Services Fee**	\$3.00	\$3.00	N/C
**HS fee provides access to full functionality of the electronic program guide - required to receive program information, perform efficient channel surfing and obtain PPV and VOD.			

CHARTER HIGH-SPEED (HS)

384 Kbps Download	\$39.99	\$41.99	\$5.00
Discounted Service***	\$29.99	\$49.99	\$20.00
3 Mbps Download	\$49.99	\$1.99	\$2.00
Discounted Service***	\$39.99	\$1.99	\$2.00
Modem Lease - 384 Kbps	\$4.95	\$4.95	N/C
Modem Lease - 3 Mbps	\$2.95	\$2.95	N/C
Gateway Lease - 3 Mbps	\$0.00	\$0.00	N/C
Gateway Purchase	\$79.95/unit	\$79.95/unit	N/C

**Applicable if customer purchases other Charter services. Certain restrictions may apply. Pricing available including additional fees for Networking, Portal and Security services.

MISC. OTHER CHARGES

Whole House Wire	\$3.99	\$3.99	N/C
Maintenance	\$25.00	\$25.00	N/C
Returned Check Fee	additional \$6.00	additional \$6.00	N/C
Post Due 45 Day Fee**			
Phone Payment Processing (CSR Assisted)	N/C	\$1.99	\$1.99

Not applicable with 360Days fee.*Price reflects \$10 Multi-Product Discount.***Requires Digital Service.

***Includes program guide, music channels, on screen ordering of PPV.

N/C - NO CHARGE

DIGITAL VALUE PACKAGES

Big Value Package (Basic, Expanded Basic, digital tier, music channels and DVR where applicable)	\$54.99	\$50.99	\$2.00
--	---------	---------	--------

Bigger Value Package (Basic, Expanded Basic, digital tier, music channels and DVR where applicable)

	\$67.99	\$69.99	\$2.00
--	---------	---------	--------

Biggest Value Package (Basic, Expanded Basic, digital tier, HBO/Max and Starz/Encore, music channels and DVR where applicable)

	\$70.99	\$74.99	\$4.00
--	---------	---------	--------

INSTALLATION (per activity)

Unwired Home	\$45.95	\$45.95	N/C
Wired Home	\$29.95	\$29.95	N/C
Reconnect	\$29.95	\$29.95	N/C
Additional Outlet - Unwired Home	\$19.50	\$19.50	N/C
Special Trip	\$24.95	\$24.95	N/C
Additional Outlet - Wired Home	\$9.95	\$9.95	N/C
Special Trip	\$24.95	\$24.95	N/C
Relocate Additional Outlet	\$19.50	\$19.50	N/C
With Initial Install	\$24.95	\$24.95	N/C
Special Trip	\$23.95	\$23.95	N/C
Change of Service/Disconnect	\$1.99	\$1.99	N/C
Computerized	\$26.00	\$26.00	N/C
Hourly Services Charge	Free	Free	N/C
Amplifier or A/B Switch	\$24.95	\$24.95	N/C
With Initial Install	\$49.95	\$49.95	N/C
HSI Installation	\$35.99	\$35.99	N/C
Standard			
Self			

UNRETURNED EQUIPMENT FEES

Standard Digital Receiver	\$195.00/unit	\$195.00/unit	N/C
CableCARD	\$84.00/unit	\$84.00/unit	N/C
Remote Control	\$4.00/unit	\$4.00/unit	N/C
Modem - 384 Kbps/3Mbps	\$33.00/unit	\$33.00/unit	N/C
Gateway - 3 Mbps	\$5.00	\$5.00	N/C

Women's Entertainment

33 Women's Entertainment	34 Court TV	35 Oxygen	36 Food Network	37 Hallmark Channel	38 Toon Disney	39 KLSR - FOX	40 KMTZ - NBC	41 KQAC-TV - PBS	42 GVC	43 KEEI - ABC	44 Great American Country GAC	45 G4Tech TV	46 Outdoor Channel	47 Style	48 Telemundo
--------------------------	-------------	-----------	-----------------	---------------------	----------------	---------------	---------------	------------------	--------	---------------	-------------------------------	--------------	--------------------	----------	--------------

Digital Family and Information Tier

100 Boomerang	102 Discovery Kids	104 Nickelodeon Games and Sports	106 Nickelodeon Toons	108 Noggin	110 Biography	112 Discovery En Español	114 Military Channel	116 The Science Channel	118 Discovery Health	119 Discovery Home Channel	120 Boomerang	122 CNN International	124 Discovery Times	126 MTV Hits	128 MTV Jams	130 VH1 Classic	132 VH1 Soul	134 VH1 Unleash	136 BET JAZZ	138 ESPN Classic	140 Lifetime Movie Network	142 Independent Film Channel	144 Sundance-West
---------------	--------------------	----------------------------------	-----------------------	------------	---------------	--------------------------	----------------------	-------------------------	----------------------	----------------------------	---------------	-----------------------	---------------------	--------------	--------------	-----------------	--------------	-----------------	--------------	------------------	----------------------------	------------------------------	-------------------

Expanded Basic

23 CNN Headline News	25 E!	26 FX	27 ESPN	28 ESPN2	29 TV Land	30 National Geographic	31 FOX News Channel	32 MSNBC	33 Soap Net	34 The Disney Channel	35 Spike TV (TVN)	36 Comedy Central	37 TNT	38 TBS	39 CNN	40 SCHF	41 Bravo - West	42 HGTV/Home and Garden Television	43 Fox Sports Net Northwest	44 USA	45 MTV	46 The Learning Channel	47 VH-1	48 Turner Classic Movies	49 The Discovery Channel	50 Animal Planet	51 A&E	52 FOX Movie Channel	53 Outdoor Life Network	54 Cartoon Network	55 History	56 Northwest Cable News	57 CNBC	58 Speed Channel	59 Golf Channel	60 DIY	61 AMC	62 Travel Channel
----------------------	-------	-------	---------	----------	------------	------------------------	---------------------	----------	-------------	-----------------------	-------------------	-------------------	--------	--------	--------	---------	-----------------	------------------------------------	-----------------------------	--------	--------	-------------------------	---------	--------------------------	--------------------------	------------------	--------	----------------------	-------------------------	--------------------	------------	-------------------------	---------	------------------	-----------------	--------	--------	-------------------

Digital Adult - Pay Per View

890 Hot Choice	894 The Hot Network	895 The Hot Zone	897 Playboy	898 Spice	899 Spice 2
----------------	---------------------	------------------	-------------	-----------	-------------

HBO/Max Pack

500 HBO	501 HBO-East	502 HBO 2	503 Classic Country	504 HBO Family	505 Bluegrass	506 R&B and Hip-Hop	507 Classic Hits	508 Smooth R&B	509 R & B Hits	510 Rap	511 Rock	512 Arena Rock	513 Classic Rock	514 Alternative	515 Retro-active	516 Electronic	517 Dance	518 Adult Alternative	519 Soft Rock	520 Hit List	521 Party Favorites	522 90s	523 80s	524 70s	525 Solid Gold Oldies	526 Singin' & Standin'	527 Big Band & Swing	528 Easy Listening	529 Smooth Jazz	530 Jazz	531 Blues	532 Reggae	533 Soundscapes	534 Classical Masterpieces	535 Opera	536 Light Classical	537 Show Tunes	538 Contemporary Christian	539 Gospel	540 Rock Disney	541 Sound of the Seasons	542 Musica Urbana	543 Salsa Merengue	544 Rock 'n' Español	545 Pop Latino	546 Motoband
---------	--------------	-----------	---------------------	----------------	---------------	---------------------	------------------	----------------	----------------	---------	----------	----------------	------------------	-----------------	------------------	----------------	-----------	-----------------------	---------------	--------------	---------------------	---------	---------	---------	-----------------------	------------------------	----------------------	--------------------	-----------------	----------	-----------	------------	-----------------	----------------------------	-----------	---------------------	----------------	----------------------------	------------	-----------------	--------------------------	-------------------	--------------------	----------------------	----------------	--------------

The Movie Tier

600 Showtime-West	602 Showtime Too-West	604 Showtime Showcase-West	606 Showtime Extreme-West	608 Showtime Beyond-W	610 RUX-TV	620 The Movie Channel-West	622 TMC Xtra-West	680 LOGO	750 Encore-West	751 Encore Action-West	752 Encore Love Stories	753 Encore Mystery-West	754 Encore Drama	755 Encore Westerns-West
-------------------	-----------------------	----------------------------	---------------------------	-----------------------	------------	----------------------------	-------------------	----------	-----------------	------------------------	-------------------------	-------------------------	------------------	--------------------------

Starz Super Pak

700 Starz	706 Starz Cinema	750 Starz Encore	751 Encore Action	752 Encore Love Stories	753 Encore Mystery	754 Encore Drama	755 Encore Westerns
-----------	------------------	------------------	-------------------	-------------------------	--------------------	------------------	---------------------

Digital Pay Per View

801-813 ON DEMAND

Digital Adult - Pay Per View

890 Hot Choice	894 The Hot Network	895 The Hot Zone	897 Playboy	898 Spice	899 Spice 2
----------------	---------------------	------------------	-------------	-----------	-------------

Digital Sports Tier

401 Fox College Sports - Atlantic	402 Fox College Sports - Central	403 Fox College Sports - Pacific	404 Fox Soccer Channel	412 ESPN News	416 Fuel
-----------------------------------	----------------------------------	----------------------------------	------------------------	---------------	----------

Channel Line-up

It's time to get hooked on Charter.

Communities Served: Lane County/Oak Ridge/West Fir

	Current Price	February 1, 2008	Difference
CHARTER CABLE TV**			
Basic Cable	\$21.30	\$16.99	(\$4.31)
Expanded Basic Cable	\$25.69	\$20.50	\$5.19
Basic & Expanded Cable	\$46.99	\$46.99	\$0.00
CHARTER DIGITAL TIERS (When purchased a la carte, includes music channels and TV where applicable)			
Family & Information Tier	\$5.00	\$5.00	\$0.00
Movie Tier (Showtime Unframed)	\$5.00	\$5.00	\$0.00
Sports Tier	\$5.00	\$5.00	\$0.00
*When purchased in conjunction with a digital value package.			
DIGITAL PREMIUM NETWORKS (When purchased a la carte)			
HBO (6 chs)	\$19.95	\$19.95	N/C
Comcast (4 chs)	\$11.95	\$11.95	N/C
Showtime (4 chs)	\$12.95	\$12.95	N/C
The Movie Channel (3 chs)	\$11.95	\$11.95	N/C
Showtime Unframed (6 chs)	\$14.95	\$14.95	N/C
Stargate/Encore (10 chs)	\$13.00	\$13.00	N/C
Encore	\$5.95	\$5.95	N/C
HBO/MAX PAK	\$13.00	\$13.00	N/C
CHARTER PAY-PER-VIEW (per activity)			
Movies	\$3.99	\$3.99	N/C
Adult	Varies	Varies	N/C
Events	Varies	Varies	N/C
VIDEO EQUIPMENT RENTAL			
Standard Digital Receiver	\$3.95	\$3.95	N/C
CableCARD	\$1.50	\$1.50	N/C
Remote Control	\$0.15	\$0.15	N/C
OTHER SERVICES			
Integrated Interactive Services Fee**	\$3.00	\$3.00	N/C
**This fee provides access to full functionality of the electronic program guide -- required to receive program information, perform channel scanning and creating PVR and VOD.			
DIGITAL VALUE PACKAGES			
Big Value Package (Basic, Expanded Basic, digital receiver, 1 digital tier music channel and 1 tv where applicable)	\$54.99	\$54.99	N/C
Bigger Value Package (Basic, Expanded Basic, digital receiver, 1 digital tier music channel and 1 tv where applicable)	\$67.99	\$67.99	N/C
Biggest Value Package (Basic, Expanded Basic, digital receiver, 1 digital tier music channel and 1 tv where applicable)	\$70.99	\$70.99	N/C
UNINSTALLED EQUIPMENT FEES			
Standard Digital Receiver	\$195.00/Unit	\$195.00/Unit	N/C
CableCARD	\$85.00/Unit	\$85.00/Unit	N/C
Analog Converter	\$16.00/Unit	\$16.00/Unit	N/C
Remote Control	\$5.00/Unit	\$5.00/Unit	N/C
MISC. OTHER CHARGES			
Whole House Vibe			
Maintenance	\$3.99	\$3.99	N/C
Returned Check Fee	\$25.00	\$25.00	N/C
Post Due 45 Day Fee	\$6.00	\$6.00	N/C
Phone Payment Processing (CSR Assisted)	N/A	\$1.99	\$1.99

***Not available with add-on services
 ****Price reflects \$10 Multi-Product Discount
 *****Required Digital Service
 **\$5 includes program guide, music channel, on-screen ordering if PVR.
 N/C - NO CHANGE

Effective 12/31/05 Programming subject to change

Channel	Service	Current Price	February 1, 2008	Difference
50	Food Network			
51	RTI TV			
52	HBO-East			
53	Speed Channel			
54	TV Guide			
55	Home Shopping Network			
56	KED - ABC			
57	KOB - NBC			
58	KVRN - NBC			
59	KOAC-TV - PBS			
60	KVAL-TV - CBS			
61	Local Access			
62	TBS			
63	KLSR			
64	KEVU			
65	GVC			
66	WB 100 Plus			
67	USA			
68	The Weather Channel			
69	MTV			
70	WH-1			
71	Inspirational Network			
72	PAX Network			
73	The Disney Channel			
74	CSPAN			
75	ABC			
76	AMC			
77	KVC-TV - UPN			
78	Comedy Central			
79	Fox Sports Net Northwest			
80	Expanded Basic			
81	EI			
82	Turner Classic Movies			
83	FOX News Channel			
84	TV Land			
85	Lifetime			
86	The Discovery Channel			
87	ESPN			
88	ABC Family			
89	Cartoon Network			
90	History			
91	CNN			
92	CNN Headline News			
93	CMT			
94	Spike TV (TVN)			
95	Nickelodeon-West			
96	SCH			
97	The Learning Channel			
98	TNT			
99	HGTV			
100	Home and Garden Television			
101	MSNBC			
102	K			
103	Bravo - West			
104	Animal Planet			
105	Travel Channel			
106	ESPN2			

Channel	Service	Current Price	February 1, 2008	Difference
107	Digital Music (Digital Converter)			
108	901 MC - Showcase			
109	902 MC - Today's Country			
110	903 MC - Classic Country			
111	904 MC - Bluesgrass			
112	905 MC - R&B and Hip-Hop			
113	906 MC - Classic R&B			
114	907 MC - Smooth R&B			
115	908 MC - R & B Hits			
116	909 MC - Rap			
117	910 MC - Metal			
118	911 MC - Rock			
119	912 MC - Arena Rock			
120	913 MC - Classic Rock			
121	914 MC - Alternative			
122	915 MC - Retro-active			
123	916 MC - Electronica			
124	917 MC - Dance			
125	918 MC - Adult Alternative			
126	919 MC - Soft Rock			
127	920 MC - HR Lit			
128	921 MC - Party Favorites			
129	922 MC - 90s			
130	923 MC - 80s			
131	924 MC - 70s			
132	925 MC - Solid Gold Oldies			
133	926 MC - Singers & Standards			
134	927 MC - Big Band & Swing			
135	928 MC - Easy Listening			
136	929 MC - Smooth Jazz			
137	930 MC - Jazz			
138	931 MC - Blues			
139	932 MC - Reggae			
140	933 MC - Soundscapes			
141	934 MC - Classical Masterpieces			
142	935 MC - Opera			
143	936 MC - Light Classical			
144	937 MC - Show Tunes			
145	938 MC - Contemporary Christian			
146	939 MC - Gospel			
147	940 MC - Roddy Dierney			
148	941 MC - Sound of the Seasons			
149	942 MC - Musica Urbana			
150	943 MC - Salsa Merengue			
151	944 MC - Rock 'n' Español			
152	945 MC - Pop Latino			
153	946 MC - Mezzosera			

It's time to get hooked on Charter.

Communities Served: Coburg/Lane County

	Current Price	February 1, 2006	Difference
CHARTER CABLE TV**			
Basic Cable	\$21.42	\$19.99	\$(1.43)
Expanded Basic Cable	\$25.57	\$28.00	\$3.43
Basic & Expanded Cable	\$48.99	\$48.99	\$2.00
CHARTER DIGITAL TIERS (When purchased a la carte, includes music channels and TV where applicable)			
Family & Information Tier	\$5.00	\$5.00	N/C
Movie Tier	\$5.00	\$5.00	N/C
Sports Tier	\$5.00	\$5.00	N/C
*When purchased in conjunction with a digital value package.			
DIGITAL PREMIUM NETWORKS (When purchased a la carte)			
HBO (6 chs)	\$13.95	\$15.95	N/C
Comcast (4 chs)	\$11.95	\$11.95	N/C
Showtime Unlimited (6 chs)	\$12.95	\$12.95	N/C
Starz Encore (10 chs)	\$13.00	\$13.00	N/C
HBO/MAX PAK	\$13.00	\$13.00	N/C
CHARTER PAY-PER-VIEW (Per activity)			
Movies	\$3.99	\$3.99	N/C
Adult	Varies	Varies	N/C
Events	Varies	Varies	N/C
VIDEO EQUIPMENT RENTAL			
Standard Digital Receiver	\$3.95	\$3.95	N/C
CableCARD	\$1.50	\$1.50	N/C
Remote Control	\$0.15	\$0.15	N/C
OTHER SERVICES			
Integrated Interactive Services Fee **	\$3.00	\$3.00	N/C
DVR Services Fee	\$6.99	\$6.99	N/C
** \$8 fee provides access to full functionality of the electronic program guide -- required to receive program information, pause, record, channel surfing and watching PTV and VOD.			
DIGITAL VALUE PACKAGES			
Big Value Package (Basic, Expanded Basic, digital receiver, choice of 1 digital tier, music channels and TV where applicable)	\$54.99	\$55.99	\$2.00
Biggest Value Package (Basic, Expanded Basic, digital receiver, choice of 1 digital tier, choice of HBO/MAX or Starz/Encore, music channels and TV where applicable)	\$67.99	\$69.99	\$2.00
Biggest Value Package (Basic, Expanded Basic, digital receiver, choice of 1 digital tier, HBO/MAX and Starz/Encore, music channels and TV where applicable)	\$70.99	\$74.99	\$4.00
***No available with 3rd party service ***Price reflects \$10 Multi-Product Discount ***Requires Digital Service **\$8 includes program guide, music channels, on-screen ordering entry NIC - NO CHANGE			

Channel Line-up

Effective 12/31/05

Programming subject to change.

Channel	Channel Name	Digital Music (Digital Converter)
1	TV Guide	901 MC - Showcase
2	Home Shopping Network	902 MC - Today's Country
3	KZJ - ABC	903 MC - Classic Country
4	KOBI - NBC	904 MC - Bluesgrass
5	KVMR - NBC	905 MC - R&B and Hip-Hop
6	KQBC-TV - PBS	906 MC - Classic R&B
7	KVAL-TV - CBS	907 MC - Smooth R&B
8	Local Access	908 MC - R & B Hits
9	TBS	909 MC - Rap
10	KLSR	910 MC - Metal
11	KEVU-TV - HD	911 MC - Rock
12	GVC	912 MC - Classic Rock
13	WB 100 Plus	914 MC - Alternative
14	USA	915 MC - Retro-active
15	The Weather Channel	916 MC - Electronica
16	MTV	917 MC - Dance
17	Insatitutional Network	918 MC - Adult Alternative
18	VH-1	919 MC - Soft Rock
19	PAX Network	920 MC - Hit List
20	The Disney Channel	921 MC - Party Favorites
21	ESPN	922 MC - 90s
22	A&E	923 MC - 80s
23	AMC	924 MC - 70s
24	KTYC-TV - UPN	925 MC - Solid Gold Oldies
25	Comedy Central	926 MC - Shogun & Strangers
26	Fox Sports Net Northwest	927 MC - Big Band & Swing
27	Turner Classic Movies	928 MC - Easy Listening
28	TV Land	929 MC - Shalom Jazz
29	Lifetime	931 MC - Blues
30	The Discovery Channel	932 MC - Reggae
31	ESPN	933 MC - Soundscapes
32	ABC Family	934 MC - Classical Masterpieces
33	Cartoon Network	935 MC - Opera
34	History	936 MC - Light Classical
35	CNN	937 MC - Show Tunes
36	CNN Headline News	938 MC - Contemporary Christian
37	CMF	939 MC - Gospel
38	Spike TV (TMN)	940 MC - Radio Disney
39	Nickelodeon-West	941 MC - Sound of the Seasons
40	SC-FI	942 MC - Musica Urbana
41	The Learning Channel	943 MC - Sabal Hallelujah
42	TNT	944 MC - Pop En Espanol
43	HGTV/Home and Garden Television	945 MC - Pop Latino
44	MSNBC	946 MC - Mexicano
45	Bravo - West	
46	Animal Planet	
47	Travel Channel	
48	ESPN2	
49	Food Network	
50	Cartoon Network	
51	Speed Channel	
52	Cartoon TV	
53	Speed Channel	
54	Expanded Basic	
55	El	
56	Turner Classic Movies	
57	FOX News Channel	
58	TV Land	
59	Lifetime	
60	The Discovery Channel	
61	ESPN	
62	ABC Family	
63	History	
64	CNN	
65	CNN Headline News	
66	CMF	
67	Spike TV (TMN)	
68	Nickelodeon-West	
69	SC-FI	
70	The Learning Channel	
71	TNT	
72	HGTV/Home and Garden Television	
73	MSNBC	
74	Bravo - West	
75	Animal Planet	
76	Travel Channel	
77	ESPN2	
78	Food Network	
79	Cartoon Network	
80	Speed Channel	
81	El	
82	Turner Classic Movies	
83	FOX News Channel	
84	TV Land	
85	Lifetime	
86	The Discovery Channel	
87	ESPN	
88	ABC Family	
89	History	
90	CNN	
91	CNN Headline News	
92	CMF	
93	Spike TV (TMN)	
94	Nickelodeon-West	
95	SC-FI	
96	The Learning Channel	
97	TNT	
98	HGTV/Home and Garden Television	
99	MSNBC	
100	Bravo - West	
101	Animal Planet	
102	Travel Channel	
103	ESPN2	
104	Food Network	
105	Cartoon Network	
106	Speed Channel	
107	El	
108	Turner Classic Movies	
109	FOX News Channel	
110	TV Land	
111	Lifetime	
112	The Discovery Channel	
113	ESPN	
114	ABC Family	
115	History	
116	CNN	
117	CNN Headline News	
118	CMF	
119	Spike TV (TMN)	
120	Nickelodeon-West	
121	SC-FI	
122	The Learning Channel	
123	TNT	
124	HGTV/Home and Garden Television	
125	MSNBC	
126	Bravo - West	
127	Animal Planet	
128	Travel Channel	
129	ESPN2	
130	Food Network	
131	Cartoon Network	
132	Speed Channel	
133	El	
134	Turner Classic Movies	
135	FOX News Channel	
136	TV Land	
137	Lifetime	
138	The Discovery Channel	
139	ESPN	
140	ABC Family	
141	History	
142	CNN	
143	CNN Headline News	
144	CMF	
145	Spike TV (TMN)	
146	Nickelodeon-West	
147	SC-FI	
148	The Learning Channel	
149	TNT	
150	HGTV/Home and Garden Television	
151	MSNBC	
152	Bravo - West	
153	Animal Planet	
154	Travel Channel	
155	ESPN2	
156	Food Network	
157	Cartoon Network	
158	Speed Channel	
159	El	
160	Turner Classic Movies	
161	FOX News Channel	
162	TV Land	
163	Lifetime	
164	The Discovery Channel	
165	ESPN	
166	ABC Family	
167	History	
168	CNN	
169	CNN Headline News	
170	CMF	
171	Spike TV (TMN)	
172	Nickelodeon-West	
173	SC-FI	
174	The Learning Channel	
175	TNT	
176	HGTV/Home and Garden Television	
177	MSNBC	
178	Bravo - West	
179	Animal Planet	
180	Travel Channel	
181	ESPN2	
182	Food Network	
183	Cartoon Network	
184	Speed Channel	
185	El	
186	Turner Classic Movies	
187	FOX News Channel	
188	TV Land	
189	Lifetime	
190	The Discovery Channel	
191	ESPN	
192	ABC Family	
193	History	
194	CNN	
195	CNN Headline News	
196	CMF	
197	Spike TV (TMN)	
198	Nickelodeon-West	
199	SC-FI	
200	The Learning Channel	
201	TNT	
202	HGTV/Home and Garden Television	
203	MSNBC	
204	Bravo - West	
205	Animal Planet	
206	Travel Channel	
207	ESPN2	
208	Food Network	
209	Cartoon Network	
210	Speed Channel	
211	El	
212	Turner Classic Movies	
213	FOX News Channel	
214	TV Land	
215	Lifetime	
216	The Discovery Channel	
217	ESPN	
218	ABC Family	
219	History	
220	CNN	
221	CNN Headline News	
222	CMF	
223	Spike TV (TMN)	
224	Nickelodeon-West	
225	SC-FI	
226	The Learning Channel	
227	TNT	
228	HGTV/Home and Garden Television	
229	MSNBC	
230	Bravo - West	
231	Animal Planet	
232	Travel Channel	
233	ESPN2	
234	Food Network	
235	Cartoon Network	
236	Speed Channel	
237	El	
238	Turner Classic Movies	
239	FOX News Channel	
240	TV Land	
241	Lifetime	
242	The Discovery Channel	
243	ESPN	
244	ABC Family	
245	History	
246	CNN	
247	CNN Headline News	
248	CMF	
249	Spike TV (TMN)	
250	Nickelodeon-West	
251	SC-FI	
252	The Learning Channel	
253	TNT	
254	HGTV/Home and Garden Television	
255	MSNBC	
256	Bravo - West	
257	Animal Planet	
258	Travel Channel	
259	ESPN2	
260	Food Network	
261	Cartoon Network	
262	Speed Channel	
263	El	
264	Turner Classic Movies	
265	FOX News Channel	
266	TV Land	
267	Lifetime	
268	The Discovery Channel	
269	ESPN	
270	ABC Family	
271	History	
272	CNN	
273	CNN Headline News	
274	CMF	
275	Spike TV (TMN)	
276	Nickelodeon-West	
277	SC-FI	
278	The Learning Channel	
279	TNT	
280	HGTV/Home and Garden Television	
281	MSNBC	
282	Bravo - West	
283	Animal Planet	
284	Travel Channel	
285	ESPN2	
286	Food Network	
287	Cartoon Network	
288	Speed Channel	
289	El	
290	Turner Classic Movies	
291	FOX News Channel	
292	TV Land	
293	Lifetime	
294	The Discovery Channel	
295	ESPN	
296	ABC Family	
297	History	
298	CNN	
299	CNN Headline News	
300	CMF	
301	Spike TV (TMN)	
302	Nickelodeon-West	
303	SC-FI	
304	The Learning Channel	
305	TNT	
306	HGTV/Home and Garden Television	
307	MSNBC	
308	Bravo - West	
309	Animal Planet	
310	Travel Channel	
311	ESPN2	
312	Food Network	
313	Cartoon Network	
314	Speed Channel	
315	El	
316	Turner Classic Movies	
317	FOX News Channel	
318	TV Land	
319	Lifetime	
320	The Discovery Channel	
321	ESPN	
322	ABC Family	
323	History	
324	CNN	
325	CNN Headline News	
326	CMF	
327	Spike TV (TMN)	
328	Nickelodeon-West	
329	SC-FI	
330	The Learning Channel	
331	TNT	
332	HGTV/Home and Garden Television	
333	MSNBC	
334	Bravo - West	
335	Animal Planet	
336	Travel Channel	
337	ESPN2	
338	Food Network	
339	Cartoon Network	
340	Speed Channel	
341	El	
342	Turner Classic Movies	
343	FOX News Channel	
344	TV Land	
34		

Channel Line-up

It's time to get hooked on Charter.

Communities Served: Creswell/Lane County/Bear Mountain/Lowell/McKenzie/Whitewater/Veneta/Elmira/Noti/Douglas County/Drain/Voncalla

	Current Price	Reference # 2006	Difference
CHARTER CABLE TV™			
Basic Cable	\$20.70	\$19.99	\$(0.71)
Expanded Basic Cable	\$24.29	\$20.00	\$2.71
Basic & Expanded Cable	\$46.99	\$45.00	\$2.00
CHARTER DIGITAL TIERS (When purchased as a cable, includes music channel and TV where applicable)			
Family & Information Tier	\$5.00	\$5.00	N/C
Movie Tier (Showtime Unlimited)*	\$5.00	\$19.50	N/C
Sports Tier	\$5.00	\$24.95	N/C
*When purchased in conjunction with a digital value package.			
DIGITAL PREMIUM NETWORKS (When purchased as a cable)			
HBO (6 chs)	\$13.95	\$13.95	N/C
Comcast (4 chs)	\$11.95	\$11.95	N/C
Showtime (4 chs)	\$12.95	\$12.95	N/C
The Movie Channel (3 chs)	\$11.95	\$11.95	N/C
Showtime Unlimited (6 chs)	\$14.95	\$14.95	N/C
Stargate/Encore (10 chs)	\$13.00	\$13.00	N/C
Encore	\$5.95	\$5.95	N/C
HBO/MPX PAK	\$13.00	\$13.00	N/C
CHARTER PAY-PER-VIEW (Per activity)			
Movies	\$3.99	\$3.99	N/C
Adult	Varies	Varies	N/C
Events	Varies	Varies	N/C
VIDEO EQUIPMENT RENTAL			
Standard Digital Receiver	\$3.95	\$3.95	N/C
CableCARD	\$1.50	\$1.50	N/C
Remote Control	\$0.15	\$0.15	N/C
OTHER SERVICES			
Integrated Interactive Services Fee**	\$3.00	\$3.00	N/C
** If the provider access to full functionality of the electronic program guide - required to receive program information, program screenshot channel surfing and ordering PVR and VOD.			
DIGITAL VALUE PACKAGES (Basic, Expanded Basic, digital receiver is choice of 1 digital set, music channel and TV where applicable)			
Biggest Value Package	\$54.99	\$55.00	\$2.00
Biggest Value Package (Basic, Expanded Basic, digital receiver is choice of 1 digital set, music channel and TV where applicable)	\$69.99	\$69.99	\$2.00
Biggest Value Package (Basic, Expanded Basic, digital receiver is choice of 1 digital set, music channel and TV where applicable)	\$70.99	\$74.99	\$4.00
**** Not available with 3rd party service *** Price reflects \$10 Multi-Product Discount ** Requires Digital Service \$3 includes program guide, music channel, on screen advertising (PVR)			

Analog Basic

2 TV Guide
3 Home Shopping Network
4 KZL-ABC
5 KOBI-NBC
6 KMRB-NBC
7 KOAC-TV - PBS
8 KVAL-TV - CBS
9 Local Access
10 TBS
11 KLSR
12 KXLU
13 QVC
14 WB
15 USA
16 The Weather Channel
17 MTV
18 VH-1
19 Inspirational Network
20 PAX Network
21 The Disney Channel
22 CPAN
23 A&E
24 AMC
26 KXVC-TV - LPN
28 Comedy Central
29 Fox Sports Net Northwest

Digital Family and Information Tier

102 Discovery Kids
104 Nickelodeon Games and Sports
106 Nickelodeon toons
108 Noggin
110 Teen Disney
112 Biography
114 Military Channel
115 The Science Channel
119 Discovery Home Channel
120 Women's Entertainment
121 Style
122 Do It Yourself
123 Soap Net
126 Bloomberg
130 History Channel International
132 BBC America
134 Discovery Times
135 National Geographic
136 G4 Tech TV
140 MTV2 (M2)
142 MTV Hits
144 MTV Jams
146 VH-1 Classic
148 VH-1 Soul
152 VH-1 Soul
154 Fuse (Much Music)
190 Lifetime Movie Network
195 Independent Film Channel

The Movie Tier

602 Showtime West
604 Showtime Top-West
606 Showtime Showcase-West
608 Showtime Extreme-West
610 Showtime Beyond-W
612 The Movie Channel-West
622 AMC 2/10-West
680 Logo
750 Encore-West
751 Encore Action-West
752 Encore Love-West
753 Encore Mystery-West
754 Encore Drama-West
755 Encore Western-West

Digital Music

(Digital Converter)
901 MC - Showcase
902 MC - Today's Country
903 MC - Classic Country
904 MC - Bluegrass
905 MC - R&B and Hip-Hop
906 MC - Classic R&B
907 MC - R & B Hits
908 MC - Rap
909 MC - Metal
910 MC - Metal
911 MC - Rock
912 MC - Arena Rock
913 MC - Classic Rock
914 MC - Alternative
915 MC - Retro-active
916 MC - Electronica
917 MC - Dance
918 MC - Adult Alternative
919 MC - Soft Rock
920 MC - Hit List
921 MC - Party Favorites
922 MC - 90s
923 MC - 80s
924 MC - 70s
925 MC - Solid Gold Oldies
926 MC - Shoppers & Standards
927 MC - Big Band & Swing
928 MC - Easy Listening
929 MC - Smooth Jazz
930 MC - Jazz
931 MC - Blues
932 MC - Reggae
933 MC - Soundscapes
934 MC - Classical Masterpieces
935 MC - Opera
936 MC - Light Classical
937 MC - Show Tunes
938 MC - Contemporary Christian
939 MC - Gospel
940 MC - Radio Disney
941 MC - Sound of the Seasons
942 MC - Musica Urbana
943 MC - Salsa Merengue
944 MC - Rock 'n' Español
945 MC - Pop Latino
946 MC - Mexican

Digital Basic

25 EI
26 Turner Classic Movies
27 FOX News Channel
28 TV Land
29 Lifetime
30 The Discovery Channel
31 ESPN
32 ABC Family
33 Cartoon Network
34 History
35 CNN
36 CNN Headline News
37 CNN
38 Spike TV (TVN)
39 Nickelodeon-West
40 Sci-Fi
41 The Learning Channel
42 TNT
43 HGTV/Home and Garden Television
44 MSNBC
45 N
46 Bravo - West
47 Animal Planet
48 Travel Channel
49 ESPN2
50 Food Network
51 P! TV
52 Court TV
53 Speed Channel

Digital Sports Tier

401 Fox College Sports - Atlantic
402 Fox College Sports - Central
403 Fox College Sports - Pacific
412 ESPN News
413 ESPN Classic
416 Fuel
418 Outdoor Life Network
500 HBO-West
501 HBO-East
502 HBO 2-West
504 HBO Signature-West
505 HBO Family-West
512 HBO Latino-West
520 Cinema-West
521 Cinema-East
522 More Max-West
524 Action Max-West
700 Starz-West
702 Starz in Black-West
704 Starz Kids and Family-West
705 Starz Cinema-West

Digital Pay Per View

894 The Hit Network
895 The Hit Zone
897 Playboy
898 Spice
899 Spice 2

Digital Adult - Pay Per View

801 - 805 IN DEMAND

Measuring Broadband's Economic Impact

From 1999 to 2002, American communities with broadband access did significantly better than those without

By William H. Lehr, Carlos A. Osorio.
Sharon E. Gillett ■ *Massachusetts Institute of Technology*
Marvin A. Sirbu ■ *Carnegie Mellon University*

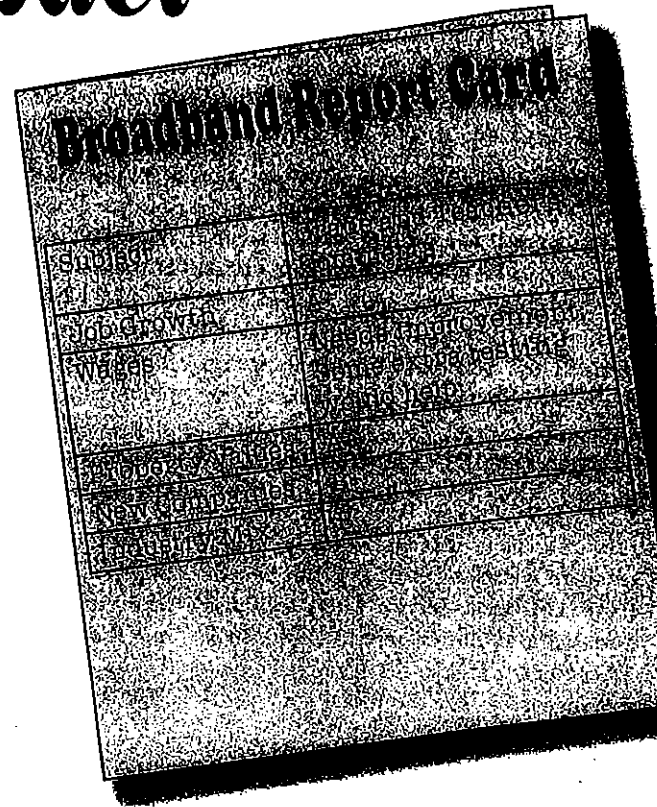
“ . . . broadband access does matter to the economy, just as common sense would say it should . . . ”

“ . . . broadband enhances economic activity, helping to promote job creation both in terms of the total number of jobs and the number of establishments in communities with broadband . . . ”

“ . . . the mean growth in rent . . . employment, number of establishments, and share of establishments in IT-intensive sectors were all higher in the communities with broadband . . . ”

“ . . . we find a substantial positive impact for broadband availability on the growth in total employment.”

“ . . . broadband has a significant positive effect on the growth in the number of business establishments . . . ”



“ . . . broadband access does enhance economic growth and performance, and . . . the assumed (and oft-touted) economic impacts of broadband are real and measurable.”

“The present study has several clear implications for policy-makers. The most obvious and important implication is that broadband does matter to the economy.”

“Broadband is clearly related to economic well-being and is thus a critical component of our national communications infrastructure.”

Attachment D



November 30, 2005

The Honorable Joe Barton
Chairman
Committee on Energy and Commerce
The U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable John D. Dingell
Ranking Member
Committee on Energy and Commerce
The U.S. House of Representatives
2322 Rayburn House Office Building
Washington, DC 20515

The Honorable Fred Upton
Chairman
Subcommittee on Telecommunications
and the Internet
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Edward J. Markey
Ranking Member
Subcommittee on Telecommunications
and the Internet
Committee on Energy and Commerce
2322 Rayburn House Office Building
Washington, DC 20515

Dear Committee Leaders:

On behalf of the nation's local elected officials and their advisors, we thank you for the opportunity to testify at the Subcommittee on Telecommunications and the Internet's November 9th hearing on draft legislation to create a statutory framework for Internet Protocol and Broadband Services.

For three decades local governments have used cable franchising authority to achieve nearly universal deployment of broadband advanced services and to protect consumers to the extent we have authority. Only wire line competition reduces cable rates and enhances service. Therefore, let there be no mistake, local governments want competition, as fast and as much as the market will sustain.

We appreciated your efforts and leadership to engage local governments, along with all other impacted parties, as the committee drafted "BITS I." While BITS I was not something local governments would have put forward, we recognized that there was a significant effort to address issues of importance to cities and counties. We were prepared to continue to work towards a reasonable compromise.

Unfortunately, the revised draft, "BITS II," severely tested local governments' optimism because it pulled back from significant progress on local issues. In particular, we believe that the language of the draft does not protect local governments' core police powers.

We hope to have the chance to continue working with the committee to ensure that any final legislation addresses the following top concerns of local governments. These include:

1. Preserving local governments' ability to manage streets and sidewalks in the public rights-of-way.

2. Ensuring that no loopholes are created for undermining city and county revenues. Streamlining the franchise process does not mean that local governments and citizens should subsidize telecommunications companies' business plans. Telephone companies have agreed they would pay applicable fees for the use of public streets and sidewalks.
3. Protecting the public safety needs and interests of the community. In addition to fees, local governments receive in-kind benefits such as institutional networks for public safety and public access channels that facilitate communication with citizens under the current system. Local governments can support replacing the current negotiation process with adequate cash support shared equally among all competitors.
4. Enforcing local governments' management of public rights-of-way and revenue measures through mechanisms such as auditing, reviewing documents, and recourse to the courts, if needed.

These requests are reasonable, do not stand in the way of meaningful reform, and are in many circumstances conceded by the telecommunications companies that seek change. Most important, these values are shared by most members of Congress and the Energy & Commerce Committee.

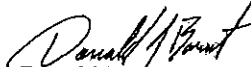
Thus, there appears to be no conceptual disagreement: the difficulties have arisen in the details of the legislative language. At the hearing, Chairman Upton made clear that it was the intent of the Subcommittee in its staff draft of the telecommunications rewrite to ensure that local governments preserves its management authority over local rights-of-way.

Accordingly, we are hopeful that we will have the opportunity to iron out these details with the committee prior to markup. We look forward to working together to further secure America's future economic growth by offering citizens a modern communications infrastructure that includes the provision of broadband service and video by competing providers.

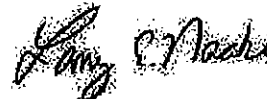
Sincerely,



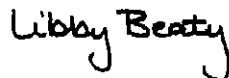
Tom Cochran
Executive Director
The U.S. Conference of Mayors



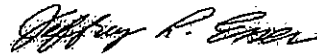
Donald Borut
Executive Director
National League of Cities



Larry Naake
Executive Director
National Association of Counties



Elizabeth Beaty
Executive Director
National Association of
Telecommunications Officers and Advisors



Jeffrey L. Esser
Executive Director and CEO
Government Finance Officers Association

cc: U.S. House of Representatives Energy and Commerce Committee Members

The United States Conference of Mayors: Ron Thaniel (202) 861-6711

National League of Cities: Cheryl Leanza (202) 626-3022

National Association of Counties: Jeff Arnold (202) 393-6226

National Association of Telecommunications Officers and Advisors: Pilar Camus (703) 519-8035

Government Finance Officers Association: Barrie Tabin Berger (202) 393-8020