

Comcast of Minnesota's Response to:
North Suburban Communications Commission's
Request for Renewal Proposal for
Cable Television Franchises in the Member Cities

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INTRODUCTION

Comcast of Minnesota (“Comcast”) makes the following proposal for renewal of a cable franchise under 47 U.S.C. § 546. The Federal Cable Act requires that Comcast’s application be accepted. Denial is only permitted if it is based on an established and adverse finding on 4 limited criteria: (a) whether “the cable operator has substantially complied with the material terms of the existing franchise and with applicable law”; (b) the “quality of the operator’s service,” (c) whether the “operator has the financial, legal, and technical ability to provide the services, facilities, and equipment as set forth in the operator’s proposal”; and (d) whether “the operator’s proposal is reasonable to meet the future cable-related community needs and interests, taking into account the cost of meeting such needs and interests.” Given high satisfaction rates, a high-performing system, Comcast’s clear qualifications, and the many benefits provided in this proposal, Comcast’s renewal should be granted.

Comcast’s past performance in the North Suburban Cable Communications Commission (NSCC) communities is evident in the NSCC’s Staff Report’s conclusion that “generally, cable subscribers in the NSCC service area indicate that they are satisfied with the Comcast cable TV service.” Comcast received high ratings in picture quality, channel offerings, customer service, and responsiveness. Comcast, according to the NSCC’s own evaluation, provides quality services to its subscribers. A survey study requested by Comcast confirms high general satisfaction with the current cable system. Indeed, this is due to Comcast’s substantial investments in the cable system in the last decade, its role in the community as an employer and a supporter of local causes, its diverse channel offerings and high-quality picture and sound, its dedicated and experienced managers, and its competitive pricing. Similarly, the NSCC’s Staff Report, along with the information supplied herein, leave no question about Comcast’s qualifications to operate the cable system.

However, the NSCC Staff’s Report and RFRP are dominated by unsupportable demands for excessive public, educational, and government access (PEG) channel capacity, a free institutional network (I-Net) for the NSCC and member-city governments, and unlawful contributions to pay for the NSCC and NSAC’s extraordinary capital and operational expenses. While the NSCC’s Staff’s RFRP violates the Federal Cable Act as well as the First Amendment in many of these respects, Comcast has proposed terms on these items that are both lawful and supported by the community’s cable-related needs and interests, taking into account the costs.

EXECUTIVE SUMMARY OF PROPOSAL

Comcast's proposal provides the following material benefits for the member cities of the NSCC:

- A maximum permitted franchise fee on cable services of 5% which, based on current revenue, will approximate \$15.5 million over the ten-year term.
- PEG capital funding of approximately \$4.8 million over a 10-year term, which is more than adequate to support PEG facilities and equipment during the term of the franchise.
- Complimentary basic cable service to public schools, libraries, and municipal buildings, with a value over the life of the franchises exceeding \$128,000.
- Enhanced financial accountability to the member cities through payment of all franchise fees and PEG fees directly to each member city.
- As a solution to the heavily diluted and sparsely watched 8 PEG channels that exist today, Comcast proposes a much more robust and manageable 4 channels: 3 standard-definition and 1 high-definition, with an opportunity to obtain additional channels in the future based on actual usage.
- Inclusion of the 4 PEG channels on the digital channel guide with detailed program listings.
- Continued use of an institutional network for both PEG-related and non-PEG-related uses at reasonable rates in compliance with applicable law.
- Continued delivery of popular and innovative cable services over Comcast's high-performing hybrid fiber-coax cable system.
- Compliance with the FCC's customer service standards with reporting and enforcement mechanisms.
- An improved audit and dispute resolution procedure to avoid unnecessary legal and consultant fees and to foster an improved working relationship between the NSCC and Comcast.
- A performance bond in the amount of \$500,000 to guarantee the faithful performance of the obligations in the franchise agreements.

These and other aspects of Comcast's proposal are further outlined in the rest of this Executive Summary, and detailed in the form responses below.

A. Based on ascertainment findings and current PEG usage, Comcast's PEG offerings will more than satisfy established community needs.

Even the NSCC's biased consultant could not justify the PEG demands made by the NSCC staff. The NSCC's PEG consultant's report, despite being flawed by bias and improper methodologies, shows low interest in and need for 8 PEG channels and it fails to address the issue of cost to consumers. The Buske Group—which conducted the NSCC's ascertainment—took a biased approach to the whole subject: the part of the Buske's business that found a "need" for 8 PEG channels and excessive funding compliments the other part of Buske's business that provides consulting services for PEG channels and facilities. Buske's faulty process is explained in detail in the expert report of Talmey-Drake Research & Strategy Inc. (at Exhibit 3).

Despite Buske's efforts to generate as much interest in PEG as possible, even its report shows little community need or interest for 8 PEG channels. Less than half of cable subscribers could say they had "ever watched a program on a CTV channel."¹ More specifically, 77.3% of subscribers interviewed by Group W said they never watched or watched on a less-than-monthly basis channels 14, 15, and 16. 85.5% of subscribers never watched or watched on a less-than-monthly basis channels 18, 19, and 20.² Also a recent community survey by the City of Shoreview confirms low interest in PEG programming in the region.³

Comcast's legally and scientifically proper survey showed little community interest in PEG. Comcast's expert survey-research firm, Talmey-Drake, using scientifically sound, reliable survey methodology, also confirmed low community need and interest in PEG:

- Most subscribers couldn't name a single access channel;
- Just 1 out of the 8 channels—Channel 16—had "regular" (at least once per week) viewership;

1. Group W Report (NSCC Staff Report Ex. C) at 12.

2. Ex. 4 at 16-17.

3. Shoreview's 2013 survey results can be found at <http://www.shoreviewmn.gov/home/showdocument?id=2626>.

- Between 60% and 81% of customers said they “never” watch 7 of the 8 channels, with between 78% and 94% saying they “seldom” or “never” watch each of the 8 channels.⁴

Comcast’s mass-communications expert confirms that the NSCC staff’s PEG demands are excessive. For more than fifteen years the NSAC has had the use of eight channels. Despite the laudable efforts of the NSAC’s staff and volunteers and the expenditure of millions of dollars, the NSAC has been unable to properly utilize this channel capacity. When considering (for example) that the local ABC broadcaster serving 1.7 million homes using a large professional staff and a multi-million-dollar budget covers local government, education and public-interest topics on a single channel, it defies logic that 8 channels are necessary to cover the local government, educational, and public-interest events in the NSCC’s subscriber network of fewer than 60,000 homes. The result has been a dilution of PEG content, stale and repeat programming, and a lack of interest and viewership.

Moreover, the NSAC’s PEG channels are competing in a growing marketplace of local-information sources: newspapers, local websites, broadcast stations, neighborhood weeklies, blogs, YouTube, Twitter, and Facebook, just to name a few. Unlike fifteen years ago, it is easier and cheaper than ever for anyone to create and publish video content to the world—without the need for expensive studio equipment and not confined to the limited reach of the local cable system. The expert report of Professor Amy Kristin Sanders (of the University of Minnesota School of Journalism and Mass Communication) analyzes, explains, and confirms these issues. That report is attached as Exhibit 6.

Comcast’s proposal strengthens local PEG channels. In light of the above, Comcast will make available at no cost 3 standard-definition channels and 1 high-definition channel on its basic tier for PEG programming. This is more than enough channels to meet the actual need or interest in PEG programming. Comcast’s proposal is designed to strengthen the NSAC’s PEG offerings by consolidating content onto 4 high-quality channels. Instead of filling 8 channels with several dozens of repeats of stale programming that turns away potential viewers, 4 strong channels with fresh programming will be of greater value to the community.

As a further benefit to help strengthen PEG channels, Comcast will assist the NSAC in getting detailed program listings on the digital channel guide. The digital channel guide is provided by a third-party vendor. Comcast will facilitate the NSAC contacting that vendor to make arrangements for it to

4. See Ex. 3.

provide the vendor with detailed program listings for inclusion on the digital channel guide. The costs and labor involved in providing the program information is the responsibility of the NSAC.

Further description of PEG access and channel capacity are discussed in Section V. Comcast's objections to the NSCC Staff's demands for more PEG access than what Comcast offers here can be found below in the section titled "Legal Issues and Objections Regarding the Staff Report and RFRP."

B. Comcast proposes reasonable PEG financial support based on legal limits, actual needs and interest, and customer impact.

The Cable Act provides for "adequate" PEG capital costs. Since 1984, the Cable Act has prohibited LFAs from demanding PEG financial support beyond capital needs (facilities and equipment), and all PEG operating support must be applied toward the 5% franchise fee cap. Section 621(a)(4) of the Cable Act, moreover, only allows an LFA to require "adequate assurance that the cable operator will provide *adequate* public, educational, and governmental access channel capacity, facilities, or financial support." (Emphasis added.)

Buske failed to ask customers about cost. The NSCC and its experts failed to make any effort to determine community willingness to pay for PEG. The Buske Group told participants in its "focus groups" about the many things that Buske believed subscribers could get from the cable company regarding PEG programming. At no time did the Buske Group ask PEG users, cable customers, or community members generally, how much they were willing to pay for PEG programming.

Customers do not want to pay anything for PEG programming. Comcast asked customers what they were willing to pay for PEG programming. The median amount that respondents wanted devoted to PEG access was "zero," and they did not place any priority on additional and costly features for PEG programming:

- 67% of respondents said making PEG programming in HD format was not important;
- 80% of customers said they should not have to pay any amount for HD PEG-access programming;
- 63% of customer said making PEG programming in an on-demand platform was not important.

Current PEG fees are too high. Today, all customers are paying \$4.15 per month for services that customers do not want. This high cost hits Standard Basic customers hardest. Those customers pay only \$13.78 per month for cable service, but the PEG fee tacks on \$4.15 to the 5% franchise fee (which costs approximately \$0.90). The combined amount for PEG support and franchise fees for a Standard Basic customer is over 26% of their total bill in 2013 and it will be in excess of 41% by 2017 based on the RFRP's demands. Despite all customers having to pay these fees, PEG channels have low viewership and the NSAC's report shows that only 3.5% of respondents had ever been involved in appearing on a PEG program.⁵

The NSCC and NSAC are sitting on \$2.1 million in cash reserves. Few people are aware that the NSAC and NSCC are in fact storing \$2.1 million in cash reserves. This extraordinary reserve could be used by the NSCC and NSAC for PEG expenses or capital costs.⁶ Yet, the NSCC Staff Report demands additional PEG funding, without ever mentioning these reserves and despite the fact that the NSCC has been unable to spend all the money it currently receives. What makes the PEG-funding demands even more remarkable is that most of the NSCC's funding is spent on professional and consultant fees.⁷

The RFRP seeks \$14m in PEG capital fees plus \$13 million for operating support from Comcast customers without justification. In violation of the Cable Act, the Staff Report and the RFRP demand \$1.3 million in operating support per year, with a 2% increase per year. Also violating the limitation on LFA demands to no more than "adequate" PEG capital funding, the Staff Report and RFRP seek nearly \$14 million in capital grants over a ten-year franchise.⁸ These demands far exceed historical expenditures⁹ and the previous franchise's allowance of just under \$100,000 in capital grants per year. They are not substantiated in the Staff Report: exhibits to the Report grading the NSCC and cities' equipment shows most equipment in excellent or good condition. The NSCC Staff's demand is significant and disproportionate in its relation to what is received in other markets.

Comcast proposes lawful PEG capital funding. In this Proposal, Comcast offers to provide lawful PEG capital funding but will not provide operating

5. Group W Report at 21.

6. Ex. 2 (E-Consulting Report).

7. *Id.*

8. NSCC Staff Report Ex. G.

9. Historical expenditures over the last three years by the NSCC and NSAC would result in a PEG capital fee of \$.44 per customer per month.

support beyond the 5% franchise fee cap on franchise fees. As explained in detail within this application, Comcast is proposing a two-tiered PEG Capital Fee. Tier 1 is a PEG Capital Fee of \$0.44 per customer per month for the NSCC/NSAC's capital needs, for a total approximating \$1.6 million over 10 years. This amount is based on historical capital spending and increases current franchise-required PEG capital funding of \$0.27 per customer per month by 63%. Tier 2 is an additional PEG Capital Fee in support of the individual community PEG capital needs identified in the Staff Report, with the PEG Capital Fee allocated on a per customer basis specific to each community, which in total will produce an additional \$3.2 million in funding. The grand total of Comcast's PEG capital funding proposal is \$4.8 million, a substantial increase over the less than \$1.5 million in the current franchise. Complimenting this amount is the NSCC and NSAC's \$2.1 million cash reserve.¹⁰

C. Comcast's system is modern and high-performing.

The NSCC system features a two-way interactive plant and highly reliable fiber-to-the-node architecture. The system carries hundreds of channels of diverse programming and offers a variety of cutting-edge services, such as high definition (HD) television, digital service, video on demand (VOD), and digital video recorders. The NSCC's report confirms that Comcast's subscriber system "can provide the services desired by Comcast's customers."¹¹

Since the adoption of the existing NSCC franchise in 1998 and the upgrade of the cable system serving the NSCC franchise area to 750MHz, Comcast has continued to invest and innovate to bring new valuable services to NSCC customers that could not have been imagined in 1998. In the existing NSCC franchises, Comcast's predecessor Meredith Cable committed to program a "minimum of 81 analog channels." This requirement almost seems quaint in light of the modern technologies and innovation deployed by Comcast in this community.

Comcast today provides over 160 channels of programming over the cable system. In 1998, HDTV was not even mentioned in the franchise. Comcast provides more than 100 HD channels to customers. In 1998, the franchise contemplated Meredith adding 3 new "pay per view" services. Comcast's On-

10. Ex. 2.

11. CBG Report (NSCC Staff Report Ex. A) at 4.

Demand library now exceeds 80,000 titles, with over 20,000 HD choices, available on TV and streaming online.

Behind the scenes there has been much hard work and investment by Comcast to make these and other advanced services available. As CBG's Technical Report attested, the Comcast headend and hub in Roseville are among the best designed and maintained headends in the country. The headend is safely designed to protect against power surges from lightning or other causes. The headend also has more than adequate back-up power. In the event of an outage, the headend and hub could continue to run for weeks.

From Comcast's headend, video, voice, and high-speed data services are transported to hubs that serve Comcast's customers throughout the Twin Cities over Comcast's "converged regional area network" or C-RAN. The NSCC franchise area is served out of the Roseville and Shoreview hub, Comcast's network features a fiber-to-the-node architecture. When Comcast upgraded its NSCC cable system, it built fiber deep into the neighborhood. In doing so, bandwidth available to customers was maximized by reducing the need for amplification and by providing more bandwidth for fewer customers.

Customer-premises equipment has also greatly improved over the term of the NSCC franchises. In addition to facilitating the reception of exciting new digital video services by customers, Comcast's new generation of converters are two-way devices and provide an important network-monitoring function for Comcast. Comcast now constantly monitors whether signals are being transmitted cleanly to customer premises. Alerting Comcast to network issues before the customer even knows the problem exists. Comcast locally monitors its network 24x7x365 to ensure an uninterrupted, and high-quality experience for the customer.

D. Customers in the member cities are very satisfied with their cable service and offerings.

Due to ongoing investment in the cable system and innovation by Comcast, the NSCC communities enjoy the very best cable services available anywhere in the country. Comcast currently serves more than 600,000 subscribers with a wide array of product offerings—video, internet, phone, and home security and management—all backed by 24-hour customer service. At the heart of Comcast's operation is its industry leading fiber-based IP network. Comcast has created a nationwide state-of-the-art network, built on an advanced IP platform that allows new and innovative offerings to customers faster than ever.

The NSCC's survey—though flawed in many ways—at its most basic level also found high satisfaction rates:

- 90% rated reliability of service as good or very good;
- 90% rated quality of picture and sound as good or very good;
- 75% rated number and variety of channels as good or very good.

Comcast's survey similarly shows that 70% of customers are overall satisfied with Comcast services.¹²

Comcast has transitioned all services to digital and developed a low-cost digital device (DTA) that is not available from most competitors. Comcast has provided customers with the ability to control TVs using smart phones and tablets, and to watch programming online and on IP devices in the home.

In the Twin Cities, Comcast and its predecessor companies have invested more than \$1 billion upgrading, extending and maintaining the network infrastructure. Comcast's customers and the region as a whole have been direct beneficiaries of that investment as Comcast has introduced more product choice from a single provider for both residential and commercial consumers, as well as the fastest available internet speeds, greater customer value, and superior reliability. No formal upgrade of the cable system is required or proposed at this time.

E. Comcast's customer-service ratings are high.

Comcast has continued to invest in improvements in customer service and will continue to strive to meet all applicable FCC customer-service standards. There is a world of difference between the way customer service is delivered today from when the last franchise agreement was reached in 1998. Among many options that did not exist in 1998 (and which exceed the requirements of the current franchise and FCC regulations) are: (a) a host of online service choices including making payments, changing services, checking on and reporting service status, help forums, and customer-service chat; (b) customer service by text message including checking balances, checking for service outages, cancelling service calls, finding a customer service center, and obtaining information about service features; (c) self-installation options; and (d) the Comcast Guarantee, which includes a 30-day money back guarantee on

12. Ex. 3 at 10.

services, a \$20 credit or free premium channel for 3 months for any missed appointment or if Comcast fails to resolve a problem on the first visit, and 24-hour 7-days-a-week customer service. Over 73% of respondents in the NSCC's survey rated Comcast's "helpfulness of telephone customer service representatives" as good or very good, over 70% rated Comcast's "ability . . . to respond to a service call within the promised time" as good or very good.¹³ The complaints produced by the NSCC show that few customers are dissatisfied with service. This franchise proposal continues to ensure a high level of customer service in compliance with applicable FCC regulations.

F. Comcast's I-Net proposal provides significant services beyond those required by the Cable Act at a reasonable cost.

As explained further below in Comcast's legal objections, the NSCC may not condition renewal of a franchise on demands for a free and separate institutional network. But the Cable Act does allow LFAs to ask for some capacity for PEG-related uses on an existing network built by a cable operator for non-residential use. For the NSCC, this obligation has expanded into provision of an institutional network beyond PEG purposes, offered by one member city commercially to third parties, even bidding against Comcast for business. The NSCC would have this institutional network continue under a new franchise at no cost to the NSCC or its member cities – in effect demanding an in-kind service unrelated to PEG usage. In addition the Staff Report and RFRP do not offer information showing current usage, expected need, or community interest for this separate institutional network, and customers surveyed expressed no desire to pay for one.

Notwithstanding Comcast's objections above and throughout this application, and in an attempt to accommodate the NSCC's demands, under renewed NSCC franchises Comcast will agree to continue to provide institutional-network services comparable to that provided the NSCC today. Comcast will offer the portion of the institutional network used for PEG-purposes without charge to the NSCC (subject to Comcast's right to pass through the value of the network used for PEG-related purposes to subscribers as a PEG-capital contribution). To account for the NSCC's I-Net usage unrelated to PEG, Comcast will charge the fair-market value of that portion – as calculated by QSI Consulting in Exhibit 5. If the NSCC and member cities would prefer to not pay for the non-PEG-related I-Net features that it demands, Comcast will offer these services as an in-kind contribution to the NSCC subject to the 5% franchise fee cap. The member cities of the NSCC may choose to

13. Group W Report at 9.

allocate these costs depending on their usage. The NSCC and member cities would be prohibited from offering the network as a commercial service to nongovernmental entities.

G. Comcast is an active member of North Suburbs communities.

Comcast plays an active role in the NSCC communities. First, Comcast employs approximately 2,000 people across its Twin Cities operation centers, with a payroll exceeding \$118 million each year. This includes 72 engineers and other staff at Comcast's Fairview Avenue office, who serve Comcast's headend facility, located in Roseville. Many of Comcast's employees have been part of local cable operations for more than 20 years, working at the forefront of an industry that has helped transform the area into one of the most connected and technologically sophisticated markets in the nation.

In all the years that it has operated franchises in the North Suburbs, Comcast and its dedicated employees have also partnered with dozens of Twin Cities social-service agencies and nonprofits to help make this a better place to live by engaging in volunteer activities, foundation support, and in-kind contributions. Comcast's signature community investment event is Comcast Cares Day, where each year tens of thousands of Comcast employees, their family members and friends come together for a nationwide day of volunteering at hundreds of work sites across the country. Here in the Twin Cities, Comcast continues to set new milestones each year in employee involvement, as more than 2,000 Comcast Cares Day volunteers participated this past April at over 30 metro-area locations. Some of those organizations benefitting this year include Northwest Youth and Family Services, based in Roseville, as well as the Roseville location of Bridging, Inc., Gibbs Farm in Falcon Heights, and Community Action Partnership of Ramsey & Washington Counties. Other engaged community partners included Greater Twin Cities United Way, Wilder Foundation, CLUES (Comunidades Latinas Unidas en Servicio, Inc.), Solid Ground (formerly East Metro Women's Council), ARC Greater Twin Cities, and the Boys and Girls Club of the Twin Cities.

Comcast is engaged in a variety of other community-service and support programs throughout the year. Comcast's Beyond School Walls partnership with Big Brothers Big Sisters pairs Comcast employees (the Bigs) with 5th grade students from Hazel Park Preparatory Academy in St. Paul throughout the school year in an effort to encourage mentoring, friendships, and role modeling in a safe, fun environment. In addition, the Comcast Leaders and Achievers Scholarship program has awarded more than \$365,000 to over 340 students

from across the Twin Cities in an effort to encourage and promote the progress of tomorrow's leaders.

Comcast has also taken an active role in bridging the digital divide through its innovative Internet Essentials program. As the nation's leading broadband provider, this ambitious and comprehensive broadband adoption initiative has been designed specifically for low-income families with children enrolled in the National Free and Reduced School Lunch Program, all with the goal of making the Internet available at a significantly reduced cost. In addition, Comcast makes low-cost computers available for these students and families, as well as free online and in-person training on how to use the Internet safely and effectively.

H. Comcast has the full capability to perform.

The applicant is Comcast of Minnesota – an indirect subsidiary of Comcast Corporation, which is the largest cable operator in the United States. Founded in 1963, Comcast Corporation has over 24.4 million subscribers in 39 states and the District of Columbia, and has constructed and operated advanced cable systems across the nation, with unparalleled experience and expertise in advanced cable technology, maintenance, and operation.

As publicly filed documents show, Comcast Corporation is financially sound. In 2012, Comcast Corporation reported over \$62 billion in revenue, and over \$164 billion in assets. These numbers clearly demonstrate that Comcast of Minnesota has access to all the financial resources necessary to meet its franchise obligations in the NSCC, with the backing of Comcast Corporation. Comcast of Minnesota has never failed to meet all of its financial obligations in more than a decade of operations in these communities.

I. Other Issues Requested in the RFRP

The RFRP requested that this executive summary also address the following topics. Comcast is not proposing any change in the ownership and management of the system. As addressed above, there are no material system design, construction, or upgrade plans that should be incorporated into the franchise renewal because Comcast will continue to innovate and invest in the cable system due to the need to compete with other multi-channel-service and over-the-top video providers in the marketplace. There are no material proposed changes in program or other services, other than the continued development of innovative and popular new services by Comcast as customers and the marketplace demand. Comcast does not anticipate a material change in cable service rates as a result of the terms of this franchise renewal, but may

make adjustments to rates to reflect programming and other business costs as allowed by law. Comcast will not be continuing “Universal PEG Service” for customers but will provide the few customers using that service with a 6-month transition to Comcast’s basic level of cable service (if they choose).

J. Comcast’s renewal proposal meets all criteria under the Cable Act and should be approved.

The service offerings described above, along with further details provided throughout this application, clearly demonstrate that it is more-than qualified to have renewed its competitive cable franchises in the North Suburbs. Indeed, the formal renewal process was created by Congress to protect cable operators from unreasonable and excessive demands by local franchise authorities – demands very much like those set forth in the NSCC Staff Report and RFRP.

Congress protected cable operators by providing procedural and substantive requirements. Under federal law, there are only 4 strictly limited grounds on which denial of renewal can be based, and none of those grounds exist. Comcast’s proposal clearly fulfills these fundamental requirements. First, Comcast has complied in all material respects with the existing franchise. Second, as described in section IV, Comcast’s system is high performing, comparable to any system in the country in quality. Survey results confirm very high marks in reliability, picture and sound, channel variety, and customer service. Third, as shown in sections II and III, Comcast is the largest and most experienced cable provider in the country, and its financial and technical capabilities are not in question. Fourth, as explained throughout this application, Comcast offers a system that reasonably meets the needs of the member cities’ communities. Renewal should not be in dispute.

Comcast, of course, submits this proposal with the understanding that further discussion by the parties will be necessary to refine certain elements of the proposal and incorporate the results of the parties’ discussions into the provisions of the franchise agreements. Comcast submits this proposal under an assumption that each member city’s Franchise Agreement will be the prevailing document that governs all terms and conditions by which Comcast and the NSCC will be obligated. Comcast looks forward to further discussions with the City with respect to its Proposal.

LEGAL ISSUES AND OBJECTIONS REGARDING THE STAFF REPORT AND RFRP

To protect its right to continue providing cable services, and in an effort to work within the process that the NSCC staff has designed, Comcast submits this proposal despite the many significant legal issues raised by the RFRP. By submitting this proposal, Comcast does not waive any of its rights, including its right to continue to object to the RFRP on any ground in other or related proceedings.

Comcast has responded to the RFRP in a variety of ways, in light of the legal issues discussed below. For example, in some cases where Comcast believes a demand is particularly unreasonable or overly burdensome, Comcast has noted its objection or provided information that reasonably responds to the demand. In other cases, to resolve differences with the NSCC staff, Comcast has gone beyond what the NSCC lawfully may require. In still other situations, Comcast has proposed alternatives that are subject to further discussions between the parties. In these and other cases, Comcast does not waive its rights to object to a particular request or requirement.

Comcast states that this Proposal responds to the NSCC's Staff Report and RFRP's demands as a whole, and that Comcast reserves the right to change any elements of this Proposal if *any* part of the RFRP—whether by voluntary amendment by the NSCC, court order, or other means—is changed or deemed unlawful.

A. The Cable Act establishes an expectation of renewal, and provides limited grounds for denial.

The Cable Act has a number of goals, including the creation of “an orderly process for franchise renewal which protects operators against unfair denials of renewal.”¹⁴ Another purpose is to “promote competition in cable communications and minimize unnecessary regulation that would impose an undue economic burden on cable systems.”¹⁵ The procedures in the Cable Act are designed to effectuate these goals, requiring a formalized process for making and evaluating a renewal proposal, and an administrative hearing and judicial review following any attempted denial.¹⁶ It is well recognized that “[t]he Cable

14. 47 U.S.C. § 521(5).

15. *Id.* § 521(6).

16. *Id.* § 547.

Act establishes a significant federal law property expectation in the renewal of a franchise.”¹⁷

Substantive limitations also protect Comcast’s interest in continuing to provide its cable service in the North Suburbs. The Cable Act confines grounds for denial to considerations of (A) whether the operator has substantially complied with the material terms of the existing franchise and applicable law; (B) the quality of the operator’s service, in light of community needs; (C) the operator’s financial, legal, and technical ability; and (D) whether the operator’s proposal *reasonably* meets the future cable-related community needs and interests, taking into account the cost of meeting such needs and interests.¹⁸ In addition, the franchising authority must “balance the community’s need for a certain cable service against the cost of providing that service.”¹⁹ Under the Cable Act, Comcast’s “responsibility is to provide those facilities and services which can be *shown* to be in the interests of the community to receive in view of the costs thereof.”²⁰ “In assessing the costs [under § 546(c)(1)(D)], the cable operator’s ability to earn a fair rate of return on its investment and the impact of such costs on subscriber rates are important considerations.”²¹

Additionally, the FCC has interpreted the Cable Act to prevent franchising authorities from imposing excessive demands for PEG channel capacity, I-Nets, PEG operational support, payments for consultants, and the like.²² In doing so, the FCC noted a new competitive and technological reality

17. *E. Telecom Corp. v. Borough East Conemaugh*, 872 F.2d 30, 35 (3d Cir. 1989); see also *Continental Cablevision of Mass., Inc. v. Irwin*, No. 91-11256, 1991 U.S. Dist. LEXIS 21805, *8 (D. Mass. June 4, 1991) (“The Cable Communications Policy Act establishes a property right on behalf of licensed cable operators in the expectation that its franchise will be renewed.”).

18. 47 U.S.C. § 546(c)(1), (d).

19. *Union CATV, Inc. v. City of Sturgis, Ky.*, 107 F. 3d 434, 440 (6th Cir. 1997).

20. *Id.* (quoting and emphasizing H.R.REP. No. 98-934, at 74, reprinted in 1984 U.S.C.C.A.N. at 4711).

21. *Id.* (quoting H.R.REP. No. 98-934, at 74, reprinted in 1984 U.S.C.C.A.N. at 4711).

22. *Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992, Report and Order and Further Notice of Proposed Rulemaking*, 22 FCC Rcd 5101 (2006) (“621 Order”). The FCC subsequently applied this “reasonableness” standard to incumbent cable operators. *In the Matter of Implementation of Section*

facing cable operators, and warned that “the current operation of the franchising process . . . contravenes the statutory imperative to foster competition in the multichannel video programming distribution (“MVPD”) market.”²³ Specific demands by the NSCC Staff that violate these 621 Orders are noted throughout this application.

Above all, under the criteria set forth under the Cable Act, caselaw, and FCC orders, Comcast’s application should clearly be accepted for renewal, and Comcast will assert and preserve all procedural and substantive protections under the Cable Act, the U.S. and Minnesota Constitution, and all other applicable law throughout this process.

B. The RFRP includes many unsupported, unnecessary, and unconstitutionally burdensome demands.

As a cable and media provider, Comcast is a First Amendment speaker entitled to the protection afforded members of the press and other participants in the marketplace of ideas.²⁴ Article 1, section 3 of the Minnesota Constitution provides similar speech protection under state law.

The United States Supreme Court has held that demands made by a governmental body that condition a cable provider’s right to engage in speech must meet the standards set forth in *United States v. O’Brien*, 391 U.S. 367, 377 (1968).²⁵ The First Amendment and the *O’Brien* decision require the government to show—for regulations that place incidental restraints on the non-communicative aspects of speech—that the regulation furthers an important or substantial government interest unrelated to the suppression of free expression

621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992, 22 FCC Rcd 19633, ¶¶12-15 (“Second 621 Order”).

23. 621 Order ¶¶ 2- 3.

24. E.g., *Turner Broad. Sys., Inc. v. FCC*, 512 U.S. 622, 636 (1994) (“There can be no disagreement on an initial premise: Cable programmers and cable operators engage in and transmit speech, and they are entitled to the protection of the speech and press provisions of the First Amendment.”); *Leathers v. Medlock*, 499 U.S. 439, 444 (1991) (cable television “is engaged in ‘speech’ under the First Amendment, and is, in much of its operation, part of the ‘press’”); *City of Los Angeles v. Preferred Comms., Inc.*, 476 U.S. 488, 494 (1986) (“Cable television partakes of some of the aspects of speech and the communication of ideas as do the traditional enterprises of newspaper and book publishers, public speakers, and pamphleteers.”).

25. *Turner*, 512 U.S. at 662; *Preferred Comms.*, 476 U.S. at 495.

and that the regulation be no greater than essential to the furtherance of the interest.²⁶ “[T]he [governmental unit] bears the burden of proving that the elements of the *O’Brien* test are satisfied.”²⁷ Here, the Staff Report and RFRP show that the NSCC has not met this constitutional standard in several ways:

1. The Staff Report demands for PEG channels are not narrowly tailored. The NSCC demands 8 channels without a showing that those channels are necessary to establish a substantial government interest or can even be used for local programming by the NSCC.²⁸ This objection is further discussed in part 3 below.

2. The Staff Report and RFRP do not support the demand for Comcast to provide a complimentary institutional network (I-Net) to the member cities as a condition for offering cable services to North Suburbs residents. Surveys do not even show that maintaining an I-Net is a priority for the community. In the Talmey-Drake survey, 62% of customers said they did not want to pay more for maintaining an I-Net serving local government and other public entities. And paying for the I-Net was very low in customers’ ranking of priorities.²⁹

The “Group W” telephone survey never even asked subscribers (who ultimately pay the costs of an I-Net) about whether individuals prioritized a free institutional network for the member cities, and the Buske memo does not cite any specific or identified members of the community. The Buske memo also makes no attempt to measure how, for example, the I-Net is currently used or what future I-Net demands will actually be. Instead, it purports to characterize and categorize as “primary and major findings” the conclusory comments about an I-Net from anonymous individuals during “meetings with representatives of interest groups.”³⁰

26. *O’Brien*, 391 U.S. at 377.

27. *Preferred Comms. v. City of Los Angeles*, 754 F.2d 1396, 1406 n.9 (9th Cir. 1985).

28. *See Preferred Comm., Inc. v. City of Los Angeles*, No. CV 83-5846 (CBM), 1990 U.S. Dist. LEXIS 20205, at *36 (C.D. Cal. Jan. 5, 1990) (city requirements for 8 mandatory access channels is unconstitutional when the city failed to carry its burden to show why that many channels were necessary; noting the city’s provisions were not narrowly tailored to its interests).

29. *See Ex. 3* at 36.

30. *See Buske Memo.* at 54.

3. The NSCC Staff's repeated demands regarding Comcast's technical, construction, financial, and legal history and system are not narrowly tailored or necessary to achieve important government interests. The NSCC's "disclosure requirements must be measured against the *O'Brien* test to determine whether they unduly burden [the cable operator's] First Amendment rights."³¹ Comcast has operated franchises in the member cities for the past 11 years, and the NSCC's own consultants found that 90 percent of those surveyed are satisfied with Comcast's performance. The NSCC has audited Comcast's technical and financial capabilities, and is familiar with Comcast's management team. Clearly, Comcast is not a stranger to the NSCC and the member cities and has proven that it is legally, financially, and technically qualified to operate a franchise – by doing it successfully for more than a decade.

Nevertheless, the RFRP repeatedly seeks extremely detailed information about Comcast's subscriber network and geographic areas, technical system, and construction. Many of the NSCC's demands seek information that the NSCC already has or that is publicly available or that concerns issues that are not in dispute or that are unnecessary to its evaluation of whether Comcast will reasonably meet the member cities' cable needs going forward. One example is that the NSCC seeks detailed and unnecessary financial information when Comcast's financial ability is not in question.³² Insofar as the NSCC will condition Comcast's right to engage in speech on meeting these unnecessary demands, Comcast objects.

In addition to not being narrowly tailored, many information demands by the NSCC's RFRP violate the First Amendment because they are unduly burdensome to answer. For example, the NSCC has asked Comcast about thousands of franchises and hundreds of companies, detailed and confidential financial information that is not kept in the ordinary course of business, and detailed and confidential technical information about the manner in which Comcast delivers cable. Collecting and answering these demands – assuming they could even be met – would substantially burden Comcast. The NSCC staff has not justified – as it must, before so burdening a speaker – how all this information is necessary to evaluate the qualifications of a company with which it already is familiar.

31. *Group W Cable, Inc. v. Santa Cruz*, 669 F. Supp. 954, 971 (N.D. Cal. 1987).

32. *See, e.g., Group W*, 669 F. Supp. at 971 (an LFA cannot "deny a franchise for the failure to answer questions that are irrelevant to its [cited substantial government] interest in minimizing disruption of the public domain").

C. The Staff Report and RFRP make demands – mostly related to the I-Net and PEG channels and operations – that are unlawful under the Cable Act.

In addition to violating First-Amendment standards, many of the substantive demands in the staff report, the consultant reports, and the RFRP are unlawful under the Cable Act.

Again, section 621(a) prohibits the NSCC from unreasonably refusing to award a franchise. Section 621(a)(4) of the Cable Act allows an LFA to require “adequate assurance that the cable operator will provide *adequate* public, educational, and governmental access channel capacity, facilities, or financial support.” (Emphasis added.) In its 621 Order, the FCC, interpreting these 2 statutory provisions together, ruled that LFAs may not make unreasonable demands for PEG and I-Net support. The FCC also affirmed that an LFA must “evaluate their current and future PEG needs at the time of an incumbent provider’s renewal, and are allowed to request such PEG support from their providers, within the limits of the Act and the Commission’s statutory interpretation.”³³

PEG Channels. Congress sought to protect and further the diversity of video programming when it enacted Section 611 of the Cable Act to permit LFAs to demand PEG channels as a condition of franchise renewal.³⁴ Congress did not enact Section 611 to give LFAs carte blanche to demand any number of channels desired, nor did it specify the level an operator must provide. Read in light of First Amendment concerns, Section 611 permits an LFA to require the minimum number of PEG channels necessary to provide an “adequate” level of access.³⁵ And indeed the FCC ascribed the word “adequate” its plain

33. 621 Order ¶¶110; Second 621 Order ¶¶12-15.

34. See 47 U.S.C. § 531; House Report at 30, reprinted in 1984 U.S.C.C.A.N. at 4667 (“Public access channels . . . provide groups and individuals who generally have not had access to the electronic media with the opportunity to become sources of information in the electronic marketplace of ideas. PEG channels also contribute to an informed citizenry by bringing local schools into the home, and by showing the public local government at work.”).

35. 47 U.S.C. § 541(a)(4) (allowing LFAs to require cable operators to provide “adequate assurance that the cable operator will provide adequate public, education, and governmental access channel capacity, facilities, or financial support”).

meaning – that is, “satisfactory or sufficient and not significant.”³⁶ The FCC’s 621 Order prohibited LFAs from the practice of conditioning a cable franchise on unreasonable or unsupported PEG-channel demands.³⁷

The Staff Report, the RFRP, and the NSCC’s consultant reports do not even address the subject of what would represent an “adequate” level of access but, instead, make or support a demand based on the purported aggregate desire of all PEG users and NSCC staff. The most telling evidence of actual need for PEG channels and support is found by examining the 15-year history of the current franchise’s PEG usage. That evidence shows an inability to program 8 PEG channels resulting in a dilution of PEG content, loss of customer interest, and an excessive reliance on repeat and stale programming. As such, there is a demonstrated lack of need and interest in a continuation of this large allocation of PEG channels or the expansion of it proposed in the RFRP.

In fact, the demonstrated low viewership in NSCC member city for PEG offerings may in fact be the result of too many PEG channels. There is a demonstrated history, as shown by channel-lineup reports obtained by Comcast, of the NSCC’s inability to utilize 8 PEG channels with local, original, or fresh programming. The vast majority of current airtime on PEG networks is reserved for excessive re-runs, stale content, and non-local programming.³⁸ Old government meetings, youths sporting games from several months earlier, and other programs are played dozens and dozens of times across more than one channel. One entire channel is dedicated to non-local NASA programming.

As explained in the attached expert report of Professor Amy Sanders, this is demonstrative that fewer channels would enhance PEG programming; and 8 channels are certainly not justified.³⁹ Stale content drives down viewers and interest, and reduces the success of PEG channels, under basic broadcasting standards. Current media consumption trends and technology also show how

36. 621 Order ¶¶ 111-114.

37. *Id.* ¶¶ 5, 110.

38. Ex. 12. Comcast’s review of the programming data showed that the average city-council meeting is played 26 times. Other government meetings and sporting events are on average played 25 times and 20 times, respectively. These repeated re-broadcasts occur on multiple channels, including channels viewed by the entire NSCC area. *Id.* That means that at any given moment a member city resident’s channel may air dozens of airings of meetings and games having nothing to do with his or her city.

39. Ex. 6.

viewers can and do prefer to receive local news and information – and most if not all of the programming that might appear on PEG channels – through other means, including internet and live streaming. In sum, more content on fewer channels will enhance and not reduce the quality of PEG programming. The NSCC Staff, through its report, has not shown a substantial need for 8 PEG channels.

In short, the Staff Report, the RFRP, and the NSCC's consultant reports do not provide a basis to support the NSCC's demand for 8 PEG channels, HD channels dedicated to PEG, and video-on-demand resources for PEG.⁴⁰ The RFRP violates the Cable Act and the First Amendment in this respect.

Payments for PEG Capital Costs. Section 622(g)(2)(C) excludes from the term "franchise fee" any "capital costs which are required by the franchise to be incurred by the cable operator for public, educational, or governmental access facilities." The FCC has made clear that any such capital requirements made of a cable operator are not subject to the 5% franchise fee standard.⁴¹ Though PEG capital costs are not subject to the 5% franchise fee cap, they remain subject to the Cable Act's "reasonableness" requirement and that such LFA requests be supported by an evaluation of PEG related community needs.

The NSCC RFRP says that Comcast "shall voluntarily pay" \$14,160,740 to the NSCC over 10 years for additional capital costs to be allocated "in the sole discretion" of the NSCC.⁴² The RFRP states that this "voluntary requirement" is supported in the NSCC Staff Report, Needs Assessment Report, and CBG's Technical Review Report. But a close examination of the NSCC Staff Report, Needs Assessment Report, and CBG's Technical Review Report reveals little or no documentation of any current or future need justifying a demand for *any* PEG capital requirement from Comcast much less one of this size. The NSCC's demand for such equipment is therefore unreasonable and under the Cable Act Comcast is not required to comply with it.

Payments for PEG Operating Costs. Section 622(g)(1) of the Cable Act defines a franchise fee as "any tax, fee, or assessment of any kind imposed by a franchising authority . . . on a cable operator or cable subscriber, or both, solely because of their status as such." The FCC has been clear that this provision requires that any required financial support other than reasonable capital

40. *Preferred Comm., Inc.*, 1990 U.S. Dist. LEXIS 20205 at *36.

41. 621 Order ¶109; Second 621 Order ¶13.

42. RFRP at 65-66.

expenditures for PEG facilities must be calculated as part of this franchise fee and subject to this 5% cap.⁴³

The *Staff Report* and the RFRP repeatedly and without pretext demand PEG operating support “over and above franchise fees and all other financial and in-kind commitments.”⁴⁴ The report specifically demands an average of \$1.3 million per year in PEG operational support, with a 2% increase per year.⁴⁵ The RFRP requires Comcast to make these substantial PEG operating grants to the NSCC and NSAC but would not allow these grants to represent any part of the limited franchise fee that the LFAs are allowed to collect. The RFRP also requires Comcast—on top of the substantial grants to the NSCC and NSAC—to pay the statutory maximum franchise fee of 5% of gross revenues.⁴⁶ Prohibiting the franchise fee from being offset required by the PEG operating grants violates the Cable Act.

I-Net Demands. As mentioned above, the NSCC report and RFRP condition renewal on Comcast’s contribution to the member cities of a free data and telecommunications network (“I-Net”) that would provide voice, video, data, and internet-access services for the member cities.

Section 621(b)(3)(D) does not affirmatively authorize demands on cable operators to construct and provide I-Nets free of cost to LFAs.⁴⁷ Section 611(b) allows LFAs to seek capacity on an I-Net that the cable operator has chosen to build for its own commercial purposes, but only for providing “channel capacity [that may] be designated for public, educational, or governmental use.”⁴⁸ Thus to the extent the NSCC demands an I-Net that does not serve the

43. 621 Order ¶¶ 43-44, 94-96, 105.

44. Staff Report at 38, 67-68, 74, 78, 90, 93.

45. *Id.* at 73-74.

46. *Id.* at 99.

47. 47 U.S.C. § 541(b)(3)(D) (“Except as otherwise permitted by sections 531 and 532 of this title, a franchising authority may not require a cable operator to provide any telecommunications service or facilities, other than institutional networks, as a condition of the initial grant of a franchise, a franchise renewal, or a transfer of a franchise.”).

48. 47 U.S.C. § 531(b) (“A franchising authority may in its request for proposals require as part of a franchise, and may require as part of a cable operator’s proposal for a franchise renewal, subject to section 546 of this title, that channel capacity be designated for public, educational, or governmental use, and channel capacity on institutional networks be designated for educational or governmental use, and may require rules and procedures for the use of the channel

function of carrying channels of PEG programming, and is in fact a demand for a complimentary telecommunications and data pipeline for municipalities – the demand violates the Cable Act.

Indeed, applying the Cable Act's provision barring LFAs from unreasonably refusing to grant franchises, the FCC's 621 Order found that LFAs cannot deny a franchise based on an applicant's "refusal to undertake certain obligations relating to [PEG] and institutional networks."⁴⁹ The 621 Order also clarified what kinds of "in-kind" franchise requirements are counted in determining whether a local franchising authority (LFA) has exceeded the 5% of gross revenue cap on franchise fees. The FCC held that "in-kind" mandatory payments required by LFA's which are unrelated to the provision of cable services are not expenses "incidental" to the award or enforcement of a franchise, and count toward the 5%-franchise-fee cap. Examples of in-kind payments cited by the FCC as constituting franchise fees include fiber optic cabling for traffic light control systems, scholarship funds, money for wildflower seeds, and video hookups for a Christmas celebration.⁵⁰ Thus, to the extent that the NSCC's I-Net is not related to the provision of cable service, the value of the free I-Net demanded by the NSCC Staff constitutes franchise fees which count toward the 5% cap. The NSCC admits as much in its Staff Report, stating that I-Net facilities, equipment, and capabilities are "in-kind compensation" for the use of the ROW.⁵¹

The Staff Report also provides no documentation supporting its conclusions that a community need and interest exist for the I-Net. The Staff Report provides no information regarding the NSCC's current levels of use of the existing I-Net provided by Comcast.

Notwithstanding the NSCC's failure to document the community need and interest for an I-Net, Comcast has become aware that the City of Roseville (an NSCC Member City) has leveraged the Comcast-provided I-Net into its own proprietary wide area network which the City has brand named "Metro

capacity designated pursuant to this section."); 47 U.S.C. § 531(f) ("the term 'institutional network' means a communication network which is constructed or operated by the cable operator and which is generally available only to subscribers who are not residential subscribers").

49. 621 Order ¶¶ 5, 110.

50. *Id.* at ¶¶ 106-107.

51. Staff Report at 23.

INet.” Metro INet provides a suite of IT, data, and telephony services to at least 140 local governmental sites within and outside the NSCC franchise area, and has been used to directly compete with Comcast in bids to provide services to third parties.⁵² As of October 2012, the City of Roseville collected nearly \$500,000 in service fees from Metro INet customers pursuant to joint powers agreements executed with local governmental customers.⁵³

The Staff Report and RFRP make demands for a significant and expensive institutional network, as well as continued maintenance and upgrades of that network—and demand it all as an in-kind contribution to the NSCC and member cities.⁵⁴

To the extent that the RFRP’s I-Net demands contravene the Cable Act and other laws, and to the extent the NSCC requires an I-Net in-kind contribution without attributing that amount to the 5% franchise-fee cap, Comcast objects.

Technology, Transmission, and Equipment Demands. Section 624(e) of the Cable Act preempts LFAs from regulating equipment and transmission technologies of an applicant cable provider: “No State or franchising authority may prohibit, condition, or restrict a cable system’s use of any type of subscriber equipment or any transmission technology.”⁵⁵ The legislative history shows that Congress was trying “to avoid the effects of disjointed local regulation” and enacted this provision to “prohibit States or franchising authorities from regulating in the areas of technical standards, customer equipment, and transmission technologies.”⁵⁶

52. The resale of Comcast I-Net services by the City of Roseville violates section 7(c) of the franchise. Comcast objects to this continuing violation of the franchise.

53. See Ex. 11 (Roseville Joint Powers Summary). Comcast can provide a copy of any specific joint-powers agreement referenced in Exhibit 11 at the NSCC’s request. Also an October 2013 presentation to Roseville’s City Council noted \$1 million in savings from its non-PEG-related use and collection of over \$1 million in revenue from offering the Metro INet commercially. City of Roseville, *Overview of the IT Function & Metro-INET Group*, <http://www.ci.roseville.mn.us/DocumentCenter/View/12807>.

54. *Id.* at 3-4, 19, 20, 23-24, 46, 49-60; RFRP at 16-18.

55. 47 U.S.C. § 544(e).

56. H.R. Rep. No. 104-204(I), at 110 (1995), reprinted in 1996 U.S.C.C.A.N. 10, 77.

In implementing the statute, the FCC concluded that Section 624(e) trumps any other provisions of the Cable Act that let LFAs require certain facilities and equipment in initial franchises and renewals.⁵⁷ The FCC also “preclude[d] [LFAs] from specifying the technical means by which a cable operator delivers its signal to subscribers.”⁵⁸ The FCC found “that it is reasonably clear that local authorities may not control whether a cable operator uses digital or analog transmission nor determine whether its transmission plant is composed of coaxial cable, fiber optic cable, or microwave radio facilities.”⁵⁹

The Staff Report and the RFRP repeatedly dictate various technical standards, transmission technologies, and equipment that Comcast must use for its subscriber network, PEG facilities, and an I-Net.⁶⁰ In this response to the RFRP, Comcast provides information about its construction, design, and transmission to accommodate the NSCC staff’s demands. But in doing so, Comcast does not waive its objection to these demands as violating the Cable Act provisions cited above.

D. The Buske memo – adopted as the ascertainment – is unreliable and does not show real community needs.

The NSCC Staff Report adopts the Needs Assessment Report developed by the consultant Buske Group as its “cable-related needs and interests of the Member Cities.” A properly conducted needs-and-interests analysis must give the operator specific, clear, and documented information so that the operator can understand a community’s real and actual needs, their relative value to the community, and the benefits and costs likely to result to the community. As the

57. *In re Implementation of Cable Act Reform Provisions of the Telecomms. Act of 1996*, Report and Order, 14 FCC Rcd. 5296, 5356-57 ¶ 141-42 (1999) (“*Cable Act Reform Report & Order*”), *aff’d*, Order on Reconsideration, 17 FCC Rcd. 7609, 7614 ¶ 13 (2002).

58. *Cable Act Reform Report & Order*, 14 FCC Rcd. at ¶ 127 (“Section 624(e) now precludes [a franchising authority] from enacting and enforcing technical standards that differ from those established by the Commission.”), ¶ 182.

59. *Cable Act Reform Report & Order*, 14 FCC Rcd. at 5373 ¶ 189, *aff’d*, Order on Reconsideration, 17 FCC Rcd. at ¶ 13.

60. *E.g.*, Report at 3, 19-20, 22-24, 42, 44, 46-48, 59-61, 94-98; RFRP at 3, 4, 14-18, 20-24, 27-29, 30-31, 70-80.

legislative history to the Cable Act points out, “it is not intended that . . . the operator . . . respond to every person or group that expresses an interest in any particular capability or service. Rather, the operator’s responsibility is to provide those facilities and services which can be shown to be in the interests of the community to receive in view of the costs thereof.”⁶¹

Because franchise renewal is a quasi-judicial exercise, the NSCC should not only focus on the communities’ real and actual needs and their costs and benefits, but should also only consider reliable studies in its related decision-making. If the NSCC considers survey research, for example, that research must follow basic research standards and methodologies.⁶²

Here, the surveys conducted by Buske and Group W, along with Buske’s inferences therefrom, violate basic standards of survey methodology. The NSCC Staff Report and the RFRP itself are made without support or cited with comments from the flawed memorandum from the Buske Group dated July 15, 2013 (“the Buske memo”). The community needs are also often redundantly and confusingly presented in the many and various sections of the RFRP, the Staff Report, and the NSCC’s related consultant studies.

As outlined in the attached Rebuttal Report of Talmey-Drake Research, Buske’s report and the Group W survey do not pass basic scientific scrutiny.⁶³ Specific issues include the following:

- The telephone survey features several sampling errors, including an absence of cell-phone only respondents, that greatly affect the outcome of the survey;
- The telephone survey does not set any kind of quota for assuring interviews within each member-city community;
- The telephone survey makes the basic error of identifying the sponsor and questioner before the interview begins;

61. H.R. Rep. No. 98-934, at 74 (1984) (“House Report”), *reprinted in* 1984 U.S.C.C.A.N. 4655, 4711; *see also Union CATV, Inc. v. Sturgis*, 107 F.3d 434, 440 (6th Cir. 1997).

62. *See* Minn. R. Evid. 702 (specified knowledge must “have foundational reliability”); Minn. Stat. § 14.60, subd. 1 (excluding evidence that is “incompetent” in administrative proceedings); *Niam v. Ashcroft*, 354 F.3d 652, 660 (7th Cir. 2004) (“[T]he spirit of *Daubert* . . . does apply to [quasi-judicial] administrative proceedings.”); *see also Malletier v. Dooney & Bourke, Inc.*, 525 F. Supp. 2d 558, 563 (S.D.N.Y. 2007) (survey evidence can be excluded where flaws cumulatively undermine its relevance and reliability).

63. *See* Exhibit 4.

- The telephone survey features several questions that are misleading, uninterpretable, or likely to be misinterpreted;
- The telephone survey report is missing any information about important controls and procedures undertaken to assure accurate results.

Buske also distorts the numbers to make PEG viewership appear higher. Again as outlined in Talmey-Drake's critique, Buske presents viewership of PEG channels but only from a sub-sample of people who stated they watch PEG programming and not all cable subscribers. Thus monthly viewership of channels 14, 15, or 16 would be 22.8%, and weekly viewership would be 9.3%. Weekly viewership of channels 18, 19, and 20 would be 4.3%, for channel 21 would be .08%, and for channel 98 it would be 1.8%.⁶⁴ Accordingly, the following table shows how many never watch these channels:⁶⁵

Channel	Buske: Amount that never watch	Rescaled
Channels 14, 15 & 16	3.5%	52.2%
Channels 18, 19 & 20	36.4%	68.5%
Channel 21	72.2%	86.3%
Channel 98	68.7%	84.5%

Also as shown by the Talmey-Drake critique, statistical standards dictate that Buske's focus group is not projectable to the member-city communities. And the focus group process featured its own deep flaws, such as providing information and goals to respondents before the survey and phrasing questions awkwardly or in a results-oriented manner.⁶⁶

The NSCC, through the Staff Report, its consultants' reports, and the RFRP, give inadequate attention to the costs involved in meeting various NSCC demands. This inattention is improper, as the Sixth Circuit made clear in *Sturgis*: "In determining whether [a] proposal is reasonable, [an LFA] must take into account the cost of meeting each need. In order to do so, it must weigh the importance of the need against the cost."⁶⁷

But even with the flaws in the Buske and Group W reports, Group W's survey results cannot avoid the fact that the biggest issue for customers is

64. Ex. 4 at 24.

65. *Id.* at 24-25.

66. *Id.*

67. *Sturgis*, 107 F.3d at 440.

cost⁶⁸—something that the RFRP's excessive PEG demands exacerbates. Perhaps most importantly though, Buske and Group W's reports acknowledge that less than half of subscribers had even watched a single program on a PEG channel.⁶⁹ And half of respondents said they were "not interested at all" in HD PEG channels.⁷⁰

In the Talmey-Drake study requested by Comcast, interest in PEG access was also remarkably low. Additionally, Comcast requested a scientifically valid survey to find out the community's needs regarding how many PEG channels are desired in the member cities. The study was performed by Talmey-Drake Research, a respected polling firm that has worked for both operators and LFAs. Talmey-Drake's report—attached to this proposal as Exhibit 3—shows that (a) customers' foremost concern is limiting the cost of cable and (b) there is very low interest in having resources devoted to PEG programming:

- Most subscribers couldn't name a single access channel;
- Just 1 out of the 8 channels—Channel 16—had regular (at least once per week) viewership;
- Between 60% and 81% of customers said they "never" watch 7 of the 8 channels, with between 78% and 94% saying they "seldom" or "never" watch each of the 8 channels;
- 70% of respondents did not want more access channels;
- The median amount of respondent's bills that they wanted devoted to PEG access was "zero";
- 67% of respondents said making PEG programming in HD format was not important;
- 80% of customers said they should not have to pay any amount for HD PEG-access programming;
- 63% of customer said making PEG programming in an on-demand platform was not important; and
- 6% of customers wanted better picture quality for PEG-access channels.

As pointed out by Talmey-Drake, 77.3% of those interviewed said they never watched or watched on a less-than-monthly basis channels 14, 15, and 16. 85.5%

68. Buske Memo. p. 48.

69. Buske Memo. at 52.

70. See Group W Memo. at 18.

never watched or watched less than monthly channels 18, 19, and 20.⁷¹ These results further render the RFRP's demands unreasonable and unlawful under the Federal Cable Act.

E. The member cities and their elected governments must have the final say on Comcast's renewal proposal.

By submitting this application in response to the RFRP and other documents sent by NSCC staff in July 2012, Comcast does not necessarily acquiesce to the authority of the NSCC or its various appointed "designees" to perform functions legally entrusted or retained by the member cities. NSCC Resolution 2013-04 purports to delegate member-city authority from the NSCC to the Renewal Committee, the Executive Committee, any staff members, the law firm Bradley & Guzzetta, The Buske Group, CBG, and any of these entities' staff members. The resolution stated that all these various individuals would "be deemed and considered Commission designees imbued with the powers, authority and responsibilities set forth herein." This resolution appears to attempt transfer of all power vested in LFAs by the Cable Act to several unknown, unelected, and removed individuals. Neither state law nor the Cable Act, nor the LFA's original joint-powers agreements, support this kind of purported transfer.⁷²

The Franchise Renewal Committee's Resolution 2013-01 § 1 also resolves that the Staff Report, Buske's Needs Assessment Report and Telephone Survey Report, CBG's Technical Review Report, and Front Range Consulting's Financial Review Report "constitute the cable-related needs and interests, findings, conclusions, and recommendations of the Member Cities and their communities, and are hereby adopted in their entirety." Comcast objects to the extent that the committee resolution was an invalid exercise of the committee's authority, and to the extent that outside consultants' reports can constitute

71. Ex. 4 at 16-17.

72. Minnesota courts have long held that municipal bodies cannot delegate functions or powers involving the exercise of judgment and discretion to subcommittees or individuals. *See, e.g., Jewell Belting Co. v. Village of Bertha*, 91 Minn. 9 (Minn. 1903) (powers requiring the exercise of judgment and discretion cannot be delegated and must be performed by the municipal body itself); *Mpls. Gaslight Co. v. City of Mpls.*, 36 Minn. 159 (Minn. 1886) (power conferred on city council required exercise of judgment and discretion and could not be delegated); *Darling v. City of St. Paul*, 19 Minn. 389, 392 (Minn. 1872) (same).

findings of “community needs and interests” by the lawful LFA under the Cable Act.

Accordingly, this renewal proposal is only directed to the NSCC and member cities, assuming the NSCC is authorized to conduct renewal by valid joint-powers agreements. This proposal is not directed to the several purported designees. Comcast objects to the extent the facts show that federal, state, or local law did not authorize the delegation of the RFRP, Community Needs Assessment, and other LFA responsibilities.

IDENTIFICATION OF APPLICANT

Comcast provides the following information in response to section B of the RFRP's "Application Forms."

Name of Applicant: Comcast of Minnesota, Inc.

Address of Applicant: 10 River Park Plaza, St. Paul, MN 55107

Telephone: (651) 493-5000

Date: December 20, 2013

Please provide the name and telephone number of a principle to whom inquiries should be made:

Inquiries regarding this proposal should be first directed to Comcast's counsel, Randall Tietjen of the law firm Robins Kaplan Miller & Ciresi LLP. Mr. Tietjen can be reached at 612-349-8500 and rmtietjen@rkmc.com.

APPLICANT'S AFFIDAVIT

Section C of the RFRP's "Application Forms" requests that Comcast sign an affidavit with several statements that Comcast believes are not required under the Cable Act, and may cause waiver of rights, privileges, protections, or objections under federal and state law, which is unreasonable. Comcast objects to these demands, but will attest to the following to reasonably respond to the NSCC's request:

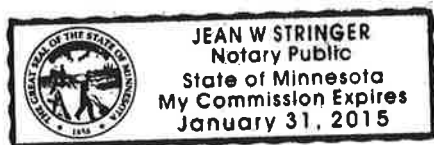
Pursuant to Section 626 of the Federal Cable Act, 47 U.S.C. § 546, Comcast submits this application in response to the NSCC Staff's Request for Renewal Proposal dated July 29, 2013. Comcast has reasonably attempted to locate and identify information in response to the RFRP's many demands, and Comcast represents that the information contained within this application is true, accurate, and complete, to the best of its knowledge and effort. The undersigned is authorized to make representations on behalf of Comcast of Minnesota.



Firm Name: Comcast of Minnesota, Inc.

Affiant's Signature: Emmett Coleman

Official Position: Regional Vice President, Government Affairs



Jean W. Stringer
December 20, 2013

APPLICATION FORMS

Comcast has reasonably identified and answered the NSCC's demands to the form questions below. Comcast reserves the right to supplement, amend, or correct its responses based upon any new information that becomes available, to correct typographical errors or omissions in the original response, or to the extent the NSCC changes, clarifies, restates, or otherwise modifies a demand.

I. Background/Legal Qualifications

1. *Applicant shall answer the following questions "yes" or "no." The term "Applicant" as used in the questions below refers to: the Applicant; its principals and partners; any entity which owns or controls, is owned or controlled by, or is under common ownership with the Applicant; and any entity which is expected to control or be responsible for, through any arrangement, the management and operation of the cable system serving the Member Cities. The term "franchise" refers to a cable franchise, however nominated, or any open video system franchise, however nominated. The Applicant need not report any case or proceeding where final judgment was rendered ten years or more prior to the date this RFRP was issued. Additionally, the Applicant need not report any franchise revocation that occurred ten years or more prior to the date this RFRP was issued.*

a. *Is the Applicant authorized under Minnesota law to operate a business, including a cable television business, in the State of Minnesota?*

Yes.

b. *Does the Applicant hold all federal and state licenses and authorizations required for the operation of the system?*

Yes.

c. *Does federal law prohibit the Applicant from holding the franchises for the Member Cities?*

No.

d. *Has the Applicant been found by a court or other entity of competent jurisdiction to have violated state or federal laws or regulations regarding, or to have engaged in acts which constitute: discrimination on the basis of race, sex, affectional preference or religion, or any other prohibited ground; fraud; embezzlement; tax evasion; bribery; extortion; jury tampering; obstruction of justice (or other*

misconduct affecting public or judicial officers' performance of their official duties); false, deceptive or misleading advertising; perjury; violations of laws prohibiting anticompetitive conduct or unfair or deceptive trade practices (including, but not limited to, violations of the Sherman Act and state consumer protection laws); or racketeering or conspiracy to commit any of the foregoing offenses?

No.

- e. *Has the Applicant ever had a franchise or FCC license revoked for cause where the revoked franchise or license was not reinstated?*

No.

- f. *Has the Applicant ever been found by a court or other entity of competent jurisdiction to have (1) presented misleading statements, (2) engaged in fraudulent conduct, or (3) otherwise violated applicable laws or regulations?*

No.

- g. *Has any local franchising authority denied a previous request for a franchise submitted by the Applicant?*

No. Subsidiaries of Comcast Corporation hold more than 6,000 franchises and from time to time a few of those franchises may have gone through the franchise renewal process informally or formally that included purported preliminary denials of renewal but no final denial of franchise renewal has ever taken place.

2. *If the answer to any of questions 1(d)-(f) is "yes," the Applicant must specifically describe the facts and circumstances concerning the acts or omissions which led to the decisions, revocation, or findings specified in questions 1(d)-(f). Applicant shall identify with specificity each case, revocation, or finding which led the Applicant to respond affirmatively to questions 1(d)-(f). If the Applicant believes the acts or omissions described in response to 1(d)-(f) should not be considered in determining whether to grant or deny it a franchise, it shall explain in detail the basis for this contention. In reviewing the information, the NSCC and the Member Cities shall consider: facts and circumstances which show that the acts or omissions are unrelated to the consideration of the Applicant's willingness to operate a cable television system in accordance with lawful requirements; whether the Applicant has fully corrected all harms which flowed from the act or omission; whether the act or omission did not involve principals of the Applicant; and whether the Applicant has taken adequate steps to ensure that the act or omission*

will not recur. Particular weight will be given to any failure to correct harms flowing from any past misconduct.

Not applicable.

3. *If the answer to question 1(g) is "yes," the Applicant shall state when, why and where the request for a franchise was denied and under what name the Applicant submitted the application.*

Not applicable.

II. Ownership Disclosure

Note: Comcast objects to the extent that many of the demands in this form are unnecessary and burdensome to answer, given the fact that the NSCC staff is familiar with Comcast—who has operated franchises in the NSCC area for over 11 years. Further, many of the demands in this section seek information that is publicly available because Comcast Corporation—which the NSCC knows is the corporate parent of the applicant—is a public company that discloses ownership information in public reports to the SEC. Nevertheless, in an attempt to accommodate these demands, Comcast submits the information below.

A. Ownership Information

a. Organizational Structure

- Sole Proprietorship
 - Partnership
 - Corporation
 - Joint Venture
 - Unincorporated Association
 - Other (explain)
- Officers (if Corporation):

Comcast of Minnesota, Inc. is a wholly owned corporation, which is an indirect subsidiary of Comcast Cable Communications LLC. Comcast Cable Communications LLC is a wholly owned subsidiary of Comcast Corporation. The officers of Comcast of Minnesota, Comcast Cable Communications LLC, and Comcast Corporation are listed in Exhibit 7. Comcast also has included an organizational chart showing the ownership of Comcast of Minnesota, included as Exhibit 8.

- i. *If the Applicant is a corporation, please list all members of the Board of Directors, their principle affiliations and their addresses:*

Comcast of Minnesota, Inc. is a wholly owned corporation that is an indirect subsidiary of Comcast Cable Communications LLC, which is a wholly owned limited-liability company that is an indirect subsidiary of Comcast Corporation. The Board of Directors for Comcast Corporation can be found in Exhibit 7, and are available in public SEC filings at <http://cmcsk.com/sec.cfm>. Arthur R. Block is the sole director of Comcast of Minnesota, Inc.

- ii. *If the Applicant is a partnership, please list all members of any governing body or management committee, their principal affiliations and their addresses:*

This request is not applicable.

B. Ownership Disclosures

Please fully disclose:

- (1) *the names and positions of all NSCC, NSAC and Member City officers and employees known to the Applicant to have any interest in the entity submitting the application, and the extent of such interest;*

Comcast objects to the phrase “any interest” as vague. Notwithstanding the objection, Comcast knows of no persons at the NSCC, NSAC, or member cities with a pecuniary or other noteworthy interest in Comcast of Minnesota, Inc.

- (2) *the names of all officers of the Applicant (if not fully disclosed on Form II.A.) and the names and last known addresses of all persons who have acted as attorney, broker, consultant, or agent of the Applicant with respect to the franchise application;*

All officers of Comcast of Minnesota, Comcast Cable Communications LLC, and Comcast Corporation are identified in Exhibit 7. The contact address for all officers of Comcast Corporation is One Comcast Center, Philadelphia, Pennsylvania 19103-2838. Comcast identifies the law firms Robins, Kaplan, Miller, & Ciresi, LLP and Mendoza Law Office, LLC as attorneys assisting in the renewal process. Reports of retained consultants and experts are attached to this application.

- (3) *the names and last known addresses of all holders of debt of the Applicant, other than stockholders or suppliers of goods and services paid on a current account, in excess of five thousand dollars (\$5,000.00) or one percent of the total outstanding indebtedness of the Applicant, whichever is less; and*

Comcast of Minnesota, Inc. is a wholly owned corporation, which is an indirect subsidiary of Comcast Cable Communications, LLC, which is a wholly owned limited-liability company that is a subsidiary of Comcast Corporation. Comcast Corporation is a large publicly traded corporation and participates in public-equity and public-debt markets. Detailed information can be found in the company’s SEC filings at <http://cmcsk.com/sec.cfm>.

- (4) *the name and position of each NSCC, NSAC and Member City officer, employee or immediate family member of any officer or employee to whom or on behalf of*

whom the Applicant or any person identified in paragraph (3), above, has made any gift, donation or political contribution of one hundred (\$100) dollars or more within three (3) years preceding the filing of the franchise application, the name of the donor, and the amount or value of the gift, donation or political contribution. As to elected Member City officials, this requirement includes disclosure of donations to their "principal campaign committees" and "authorized committees," as defined by 2 U.S.C. § 431.

Comcast is not aware of any donation or contribution that would be responsive to this question.

C. Stock Information

Please answer the following if the Applicant is a corporation.

1. *Is the Applicant a publicly held corporation as defined by the rules and regulations of the Securities and Exchange Commission?*

No, but Comcast of Minnesota, Inc. is a wholly owned corporation that is an indirect subsidiary of Comcast Cable Communications, LLC, which is a wholly owned limited-liability company that is a subsidiary of Comcast Corporation, which is a publically held corporation. Comcast refers to its SEC Filing FORM S-3ASR, which includes Comcast Corporation's equity information.

2. *Stock of Corporation*

See previous response.

3. *Does the Applicant have any other obligations or securities authorized or outstanding which bear voting rights either absolutely or upon contingency?*

No.

4. *Is the Applicant corporation directly or indirectly controlled by another corporation or legal entity?*

Yes, Comcast of Minnesota is a wholly owned subsidiary of Comcast Cable Communication, LLC, which is a wholly owned subsidiary of Comcast Corporation, a publicly held corporation.

5. *Nationality and State of Incorporation.*

Comcast of Minnesota, Inc. is a Delaware company. Comcast Cable Communications, LLC is a Delaware limited-liability company.

D. Ownership Disclosure

The Applicant (including all shareholders, partners and parties with any financial interest in the Applicant) must fully disclose all agreements and understandings with any person, firm, group, association or corporation with respect to the Member Cities' franchises and the Applicant's cable system in the Member Cities. This includes agreements between local investors and national companies.

Comcast objects to this request as vague and overbroad, especially with regard to "all understandings" and "with respect to the Member Cities' franchises and the Applicant's cable system." This question is not applicable.

Please append copies of any written agreements made regarding the ownership or control of the proposed system. In the space provided, please outline any oral agreements or understandings regarding the ownership or control of the proposed system.

This request is not applicable.

If Applicant has leased or sold any part of the system, or capacity on the system to any person, it should identify what has been sold or leased; to whom; and for what purpose.

This request is not applicable.

If Applicant has had any discussions regarding the sale of the system or lease of the system, or capacity on the system to any person or entity, it should disclose these discussions, and describe the status of those discussions.

This request is not applicable.

E. Limited Partnership

If the Applicant is a limited partnership, please describe the structure of the partnership and identify the general and limited partners and their principals.

This request is not applicable.

F. Additional Ownership Disclosures

If, in response to Forms II.B or II.E, the Applicant listed other partnerships or corporations that are owned, controlled or managed by another corporation or partnership, then additional forms for II.B and II.E shall be provided for such corporations and partnerships. The same shall be done for each partnership or corporation identified in these additional forms and so on until the ultimate parents of all such entities are identified. Information previously provided on Form II.B or Form II.E need not be repeated here.

Comcast of Minnesota, Inc. is a wholly owned corporation, which is an indirect subsidiary of Comcast Cable Communications, LLC, which is a wholly owned limited-liability company that is a subsidiary of Comcast Corporation.

III. Financial Qualifications and Information

An important element of any response to this RFRP is an adequate demonstration of financial capability to perform. Clear, complete and documented financial information is required for the NSCC and the Member Cities to assess and determine the financial qualifications of the Applicant. In preparing the responses to this section please follow the guidelines set forth below:

- To the extent information is requested for the NSCC franchise area (consisting of the ten Member Cities), but the Applicant does not maintain the requested information independently for the NSCC franchise area, the Applicant should provide responsive data for the next higher organizational level where the requested information is maintained by the Applicant. Applicant's response must identify any and all additional franchise areas contained in its response, and the total number of subscribers covered by the responsive data;*
- To the extent the Applicant claims any financial data requested in Form III is confidential or a trade secret, as defined by applicable law, it must: (i) provide legal support for its contention, including (but not limited to) cites to relevant statutory provisions and court decisions binding on the NSCC; (ii) furnish an entirely un-redacted hard copy and electronic copy of all responsive data to the NSCC's outside attorney; and (iii) submit complete responses to the NSCC that only redact confidential or trade secret data, as defined by applicable law, that could not be protected as non-public data under the Minnesota Government Data Practices Act;*
- To the extent the Applicant is asked to provide detailed explanations regarding any assumptions, it must provide sufficient information that will allow the NSCC to recreate the Applicant's projections using the assumptions, and to test the sensitivity and accuracy of the underlying assumptions. If specific financial projections are included in a financial model, the Applicant is requested to provide an electronic version (e.g., Excel spreadsheet) as part of its response; and*
- To the extent the financial information requested in this Form III does not currently exist for the NSCC franchise area (i.e., the 10 Member Cities), the Applicant is requested to create fully responsive data for Forms III.A. - III.F. Any refusal to provide requested data, or the submission of incomplete responses, may be considered by the NSCC in determining whether the Applicant's proposal should be approved or denied. If it wishes, the Applicant may, no later than 5:00 p.m. Central Daylight Time on Friday, August 30, 2013, submit to the NSCC for consideration alternative financial reporting forms and exhibits. The*

NSCC will duly consider those alternatives and will determine, in its sole discretion, whether they are satisfactory. The Applicant will be informed of the NSCC's decision, in writing. In the event the Applicant's proposed alternatives are rejected, the Applicant must submit all the data solicited in Form III using the format specified herein.

Comcast notes at the outset of this section that the NSCC Staff Report and Front Range Consulting report are clear that Comcast has the financial capability to perform. Comcast is a public company, and its basic financial information is available online at <http://www.cmcsa.com/financials.cfm>. As shown by the Front Range Consulting report, the NSCC already has accessed this information from which it can ascertain Comcast's financial capabilities. The numerous and incredibly detailed demands in this section are unnecessary and overly burdensome. They also seek confidential, sensitive, and trade-secret information protected by common law, Minnesota statutes, and federal law.

While Comcast has no objection to the data collected in the Front Range Consulting report, Comcast objects to the extent that the NSCC Staff Report and the Front Range Consulting report suggest that payments to the NSCC and the member cities made by Comcast through its subscribers should be based on anything but the formula prescribed under Section 622 of the Cable Act (i.e., limited to 5% of gross revenues derived from the operation of the cable system for the provision of cable services).

A. System Financing Plan

Please attach a detailed description (in hard copy and electronic format) of the financing plan for any cable system construction and/or upgrade proposed during the period covered by your response to this RFRP (including, but not limited to, any construction for an institutional network or for PEG access feeds and PEG access interconnections with other systems and networks). Indicate the source and amount of financing required to complete the construction in each of these categories, including internally generated funds, newly issued equity, newly issued debt, and any other sources. Identify the issuer, and the anticipated terms of any new debt and equity to be issued. In describing the terms of financing, include interest rates, collateral, guarantees, terms and conditions. Documentation must be submitted which corroborates the commitment of funds (where applicable) and lists the name, address, title and telephone number of the appropriate contact person for each organization involved in funding debt or equity. Copies of financing agreements are to be submitted or otherwise made available for inspection at the location indicated in the Instructions. Attach separate pages as necessary.

This request is not applicable.

B. Applicant's Financial Statements

- (1) *Please attach audited financial statements, including statements of income, balance sheets, cash flow statements and a sources and uses of funds statement, together with any notes necessary to the understanding of the financial statements, for the last three fiscal years, for the Applicant's cable system in the Member Cities and for Comcast Cable Communications, LLC. When and where audited information is not available, unaudited information is to be provided, and certified as correct by the Applicant's Chief Financial Officer. The Applicant should provide this information for its operations in all the Member Cities and separate information for any affiliate, subsidiary or parent company where necessary to understand the statements for the Applicant's system in the Member Cities, or where the debt, interest or other obligations or assets or revenue or expenses of such affiliate or parent company are in any way allocated to the Applicant's system in the Member Cities. Any compensation received by Applicant's owners or related parties from the Applicant – whether in the form of salary, dividends, in-kind payments, fringe or personal benefits, stock options or otherwise – should be disclosed as to type and amount in each year.*

Comcast Corporation's 10k filings are publicly available on its website,⁷³ which include audited financial information. Comcast does not create these statements at the local level in the normal course of business. But to accommodate this request and supplement publicly disclosed financial information, Comcast is providing an income statement and balance sheet for the Twin Cities region attached as Exhibit 13.

- (2) *For the last three fiscal years and for each of the entities indicated above, to the extent not provided in the statements identified above, identify:*
 - (a) *Revenue by type (e.g., basic service, other service tier(s), pay service(s), pay-per-view service(s), video-on-demand services, equipment rental and sales, installation, reconnection and tier change charges, additional outlets, advertising, itemized franchise fees or other fees, etc.) and expenses by type (e.g., programming costs, plant maintenance and technical expenses, construction expenses, marketing expenses, customer service expenses, franchise fee expenses, etc.); and*

73. <http://cmcsk.com/sec.cfm>.

- (b) *Distribution plant miles, homes passed, system subscribers, listed separately by Member City, for each service tier, and pay units (at year end and at previous year end if not already included).*

Spreadsheets responsive to question 2(a) are provided in Exhibit 13. Subscriber data by Member City is provided at Exhibit 16.⁷⁴ Homes passed by Member City are provided as Exhibit 14.

Otherwise this demand seeks confidential and proprietary information regarding Comcast's financial information, and is unnecessary to assess Comcast's financial capability (which is not in question).

- (3) *Please identify the existing and expected financial obligations of the Applicant and its financial guarantors over the next five years. Specifically identify those obligations or expected obligations within the Member Cities.*

As part of your response to this Form, please provide the historical financial data requested above in the same format used in your response to Form III.F.

Comcast specifically objects to this demand. First, the information is not kept in the ordinary course of business and would be overly burdensome to accumulate. Second, the information cannot reasonably be necessary to assess Comcast's financial capability. Third, Comcast's financial capability to provide cable services in the NSCC region is not reasonably in question, making this demand especially irrelevant. Notwithstanding these objections, if the NSCC staff demonstrates a specific need for specific financial information that is somehow relevant to the NSCC's renewal and is not available in public filings or otherwise already possessed by the NSCC staff, Comcast is willing to discuss that specific demand and how it can provide the NSCC with the information under a negotiated confidentiality agreement. Nothing in Comcast's proposal requires financial commitments beyond what have been demonstrated in the day-to-day operations of the cable system for the past several years, during which time Comcast has met all of its financial obligations while operating an exemplary cable system.

C. Applicant's Accountants

The Applicant shall provide the name, address, title and telephone number of an appropriate contact person for Applicant's internal financial staff involved in

74. Subscriber info in Exhibit 16 is from the third quarter of 2013.

preparing historical and projected financial data, as well as any outside audit and/or consulting firm utilized by the Applicant.

Financial data created for the express purpose of responding to this RFRP was done within Comcast's finance team. Comcast's public financial reports contain information regarding any auditing or consultants involved. Questions regarding the financial data provided in this response can be communicated through Comcast's attorneys at Robins Kaplan.

D. Financial Goals

Attach a narrative describing the Applicant's financial goals for the cable system in the Member Cities, as set by the Applicant and/or its parent entities, for the past three fiscal years and for the next three years. If the system does not meet these goals, describe how the Applicant will improve financial performance. Any discussion should include, at a minimum, operating assumptions such as rate increases, interest rates, sources of revenue, marketing, and operational changes.

Include in the narrative your historical rates of return on investment (or any other similar internal financial measurement tool) for the system, your target rates of return on new cable system investments, and your target rate of return for your investment in the system. Explain how these rates were arrived at, and the methodology that you will use in comparing the actual results to these targets. Attach separate pages as necessary.

Overall financial goals for the member cities' systems are to provide a reasonable return on existing and newly invested capital, commensurate with the anticipated risks of the business and the required returns of the capital markets. Since business and market risks change over time with the economy and as competition and technology rapidly increase, Comcast has not established a stated rate of return for the system.

Actual financial returns will always be dependent upon satisfying customers with an array of service offerings delivered in an economically efficient manner. Financial returns do and will vary across cable systems as a result of competition, market characteristics, regulation, and system efficiencies.

E. Litigation

Is the Applicant or any controlling entity(ies) currently in litigation (including any matters pending before the FCC)? [X] Yes [] No

If yes, please describe the situation and estimate potential financial impact on the Applicant or controlling entity.

Comcast of Minnesota is engaged in a dispute at the FCC with the NSCC regarding its 2012 and 2013 rate orders.

Significant litigation for Comcast Corporation can be found in Comcast's public filings, available at <http://cmcsk.com/sec.cfm>. Page 39 of Comcast's 2013 10K filing lists significant legal proceedings; that filing is located at <http://cmcsk.com/secfiling.cfm?filingID=1193125-13-67658>. In the normal course of its business, Comcast's subsidiaries have occasionally received notices of alleged non-compliance with respective franchises. Generally, these matters are resolved to the satisfaction of all parties. Comcast states that there are no regulatory matters, or any other legal matters, that are relevant or material to this renewal or that will affect the franchise performance of Comcast.

Is the Applicant or any affiliate, subsidiary, controlling entity or parent entity currently involved in the formal franchise renewal process under 47 U.S.C. § 546(a)-(g)?

Yes, in this community.

If yes, please describe the details and status of the proceeding, including all legal issues (substantive and procedural) raised by the Applicant and any affiliate, subsidiary, controlling entity or parent entity at each stage of the proceeding. Also, please estimate the potential financial impact on the Applicant and/or its controlling entity(ies) and/or parent entity(ies). In addition, please provide the name of the local franchising authority(ies) involved in each formal renewal proceeding, and the name, mailing address, telephone number and e-mail address of a contact person at each local franchising authority.

This request is not applicable.

F. Pro-Forma Financial Projections

The Applicant shall furnish tables following the format below and provide the requested pro forma projections for the Applicant's operations in the Member Cities for the proposed franchise term (see Form XI), assuming a franchise for the City is awarded on January 1, 2014.¹⁶ If the system's assumed revenues or

expenses will reflect an allocation of assumed expenses or revenues for some other entity (including, but not limited to, overhead allocations and management fees), pro forma projections for such other entity should be provided as well. The pro forma projections should include approximately the same line-item level of detail indicated on the attached forms, but particular details of presentation may differ if the Applicant believes that alternatives are more appropriate given its internal accounting practices. Key assumptions supporting the projections should be documented and submitted as notes to the pro formas. In particular, assumptions regarding system modifications, PEG and institutional network requirements, franchise fee expenses, and any other franchise requirements should be clearly identified and treatment of associated costs or revenues in the financial projections should be highlighted or explained.

Financial pro formas must be based upon RFRP requirements. If the application deviates from those requirements, submit separate and additional pro formas showing the financial impact of each difference.

As shown by the NSCC staff's own report and the public filings of Comcast's corporate parent, Comcast's financial capability to perform is not in question. Comcast objects to the demands in this section for that reason, and also because the questions below are burdensome, and unnecessary to evaluate Comcast's overall financial capabilities. Moreover, due to rapid and ongoing changes in technology and the cable industry, Comcast would be otherwise unable to make reliable pro forma financial projections for the life of a 10-year franchise. Nevertheless, to try to accommodate this request, Comcast has supplied a 3-year history as Exhibit 13 and subscriber information as Exhibit 16.

Please provide the following financial projections for each year of the proposed term of the franchises for the Member Cities.

See previous response.

11. OTHER OPERATING EXPENSES (Specify)

Attach in both hard copy and electronic formats information explaining, in detail, the assumptions upon which these projections are made.

See previous response.

12. EMPLOYEE ESTIMATES

List by category, by title, and by year the total estimated number of employees that will be employed to provide service in the Member Cities. If these employees will also provide service to other franchise areas, identify these areas and the number of subscribers in each. Identify any plans to increase the number of employees during any rebuild or upgrade of a system serving any of these listed franchise areas.

See previous response. There are no current plans for material changes in employee numbers.

13. HISTORICAL AND PROJECTED RATE INFORMATION

For each calendar year of the Applicant's current franchises for all the Member Cities, please provide:

a. *Basic Service rate at year end;*

See Exhibit 24.

b. *Number of Basic Service subscribers at year end;*

See Exhibit 16.

c. *Expanded Basic Service rate at year end;*

See Exhibit 24.

d. *Number of Expanded Basic Service subscribers at year end;*

See Exhibit 16.

e. *PEG Fee itemization on subscribers' bills at year end;*

See Exhibit 15.

f. *Average monthly cable revenue per subscriber (all cable services and associated equipment, including but not limited to, HD DVRs, premium services, etc.); and*

Comcast's video revenue and subscriber counts have been supplied for the 2009-to-2013 period, allowing for revenue-subscriber calculations. See Exhibits 13 and 15.

g. *Average monthly non-cable revenue per subscriber (high-speed data and VoIP).*

Comcast objects to this request to the extent that it demands information on which the NSCC does not have authority to regulate. Specifically, NSCC has

no regulatory authority over voice or data services. Thus Comcast will not agree to any performance standards imposed by NSCC with respect to these services. The request is not applicable.

For each calendar year under the proposed term of any renewal franchises for the 10 Member Cities, please provide:

a. *Projected Basic Service rate at year end;*

As stated in Comcast's response at the start of this Section, it objects to this kind of demand because the information is not kept in the ordinary course of business, would be overly burdensome to identify and provide, and is unnecessary and irrelevant.

b. *Projected number of Basic Service subscribers at year end;*

See previous response.

c. *Projected Expanded Basic Service rate at year end;*

See previous response.

d. *Projected number of Expanded Basic Service subscribers at year end;*

See previous response.

e. *Projected PEG fee itemization on subscribers' bills at year end;*

See previous response.

f. *Projected average monthly cable revenue per subscriber (all cable services and associated equipment, including but not limited to, HD DVRs, premium services, etc.); and*

See previous response.

g. *Projected average monthly non-cable revenue per subscriber (high-speed data and VoIP).*

Please provide all price elasticity studies, reports and/or analyses (or similar studies measuring price sensitivity) for the Twin Cities metropolitan area completed by and/or for the Applicant or its parent entities in the past 5 years.

See previous response.

Please provide all subscriber surveys, studies, reports and/or analyses completed by and/or for the Applicant or its parent entities during the past 5 years where subscribers were asked any questions regarding the prices or rates for cable services in the Twin Cities metropolitan area.

Comcast objects to the overbreadth and vagueness of this demand, and to the extent that this demand is not within the scope of the renewal process and is unnecessary, specifically as to the broad terms “surveys, studies, reports, and/or analyses.” Notwithstanding those objections, Comcast attaches the Talmey-Drake report as Exhibit 3 to this application.

IV. Proposal for System Design and Construction

Since the adoption of the existing NSCC member cities' franchises in 1998 and the immediately subsequent upgrade of the cable system serving the NSCC area to 750MHz, Comcast (and its predecessors) has continued to invest and innovate to bring new valuable services to NSCC customers that could not have been imagined in 1998. In the existing franchise, Comcast's predecessor Meredith Cable committed to a "minimum of 81 analog channels." Comcast today provides over 160 channels of programming on its digital preferred tier. In 1998, HDTV was not even mentioned. But thanks to the recent digital conversion, Comcast now provides more than 100 HD channels. In 1998, the franchise agreement contemplated Meredith adding 3 new "pay per view" services. Today Comcast's On-Demand library now exceeds 20,000 titles, with over 3,000 titles in HD. And that is just the video service.

The 1998 NSCC franchise agreement, under the heading "High Speed Data Transmission" provided that the upgraded cable system would "position" the cable operator to offer "new and yet-to-be-developed non-video services." Today, Comcast residential customers can receive high speed internet services at speeds of up to 105Mbps/20Mbps. These speeds dwarf broadband speed goals of 10 to 20 Mbps downstream and 5 to 10 Mbps upstream that have been established by the State of Minnesota for accomplishment by 2015. And top broadband speeds offered by Comcast only continue to increase.

Comcast also provides high-quality voice over internet protocol (VoIP) telephone services to subscribers, home alarm services, business class voice, video, and high-speed data services, as well as enterprise level telecommunications services to large business users located in the NSCC area. All of this is provided by Comcast over its cable system serving the NSCC area.

Behind the scenes there has been much hard work and investment by Comcast to make these services available. As CBG's Technical Report itself attested, the Comcast headend and hub in Roseville are among the best designed and maintained headends in the country. The headend is safely designed to protect against power surges from lightning or other causes. The headend also has more than adequate back-up power. In the event of an outage, the headend and hub could continue to run for weeks.

From Comcast's headend, video, voice, and high speed data services are transported to hubs that serve Comcast's customers throughout the Twin Cities area over Comcast's "converged regional area network" or C-RAN. The NSCC

area is served out of its Roseville and Shoreview hubs. From the Shoreview hub, Comcast's network features a fiber-to-the-node architecture. When Comcast upgraded its NSCC cable system, it built fiber deep into the neighborhood—to nodes which, as CBG's Technical Report correctly describes, convert light signals to RF signals which exit the node on coaxial cable to the home. By building fiber deep into neighborhoods, the bandwidth available to customers is maximized by reducing the need for amplification and by providing more shared bandwidth for fewer customers. Comcast's NSCC fiber-to-the-node network is a "node plus 6" amplifier architecture. Each node on the Comcast system passes an average of 464 homes.

Customer-premises equipment has also greatly improved over the term of the current franchises. In addition to facilitating the reception of exciting new digital video services by customers, Comcast's new generation of converters are two-way devices and will provide an important network monitoring function for Comcast. Comcast is now launching advanced set-top boxes. Along with monitoring modems, the new two-way set top boxes will alert Comcast to network issues before the customer even knows the problem exists. This is all part of a fundamental shift in Comcast's approach to preventative maintenance and plant integrity. Comcast is proactively monitoring its network 24 x 7 x 365 to ensure an uninterrupted, seamless, and high-quality experience for the Comcast customer.

A. Franchise Territory

Where necessary, please attach sheets and respond to the following questions or requests:

1. *Identify the franchise areas for which a franchise is being sought.*

The NSCC obtained the requested map from Comcast through Comcast's response to the 2012 technical audit. The map was produced to the NSCC staff on July 13, 2012. Because this map is proprietary information (and also cumbersome to attach), Comcast is not including it again with this application. If the NSCC staff no longer possesses the map produced in July 2012, Comcast can provide a replacement.

2. *Please provide a map showing the precise franchise boundaries for each franchise area (e.g., Member City).*

See previous response.

3. *Describe the schedule for any construction in the Member Cities (including any construction required for a cable system upgrade, an institutional network or for*

PEG access). Attach as an appendix to this application a map indicating the areas of the Member Cities to be constructed or built, by Member City, in each three-month period from the beginning of construction to completion of construction. Such map shall be provided both in hardcopy (at a scale so that the map representation is no smaller than 500 feet per inch) and in a CAD or other electronic format approved by the NSCC.

Comcast has no plans for new construction or an upgrade to its cable system in the NSCC area and thus this question is not applicable.

4. Describe in detail the line extension policy proposed for access to the system within the Member Cities, and in any areas added to the Member Cities' jurisdiction in the future.

Comcast's cable system in the NSCC area is fully built-out. Comcast complies with Section 4.2.b of the current franchise and extends services to any area with at least 35 dwelling units per cable mile or 50 dwelling units per cable mile if facilities are underground. Line-extension requests in the NSCC area are rare.

5. Attach a timetable showing the percentage of occupied dwelling units within each Member City that will be capable of receiving cable service at the end of each year following the beginning of any construction.

Comcast has no plans for new construction or an upgrade to its cable system in the NSCC area and thus this question is not applicable.

6. Please provide data showing each Member City's projected growth and changes in land use over the proposed franchise term.

Comcast has no plans for new construction or an upgrade to its cable system in the NSCC area and thus this question is not applicable. Comcast does not have information to predict each Member City's projected growth and changes in land use for the next 10 years.

7. Please state whether any old cable plant to be replaced under Applicant's plans, both underground and aerial, would be removed or abandoned in place, and explain in detail the potential cost of such removal.

Comcast has no plans for new construction or an upgrade to its cable system in the NSCC area and thus this question is not applicable.

B. Construction or Rebuild Schedule by Area

Referencing census tract data, show the proposed schedule of any system construction (including construction for PEG access and/or an institutional network) by census tracts for each Member City.

Comcast has no plans for new construction or an upgrade to its cable system in the NSCC area and thus this question is not applicable.

C. New Construction or Rebuild Schedule by Mileage for Each Member City

Comcast has no plans for new construction or an upgrade to its cable system in the NSCC area and thus this question is not applicable.

Total Construction Period: ____ months from date the franchise is granted, but no later than _____.

Comcast has no plans for new construction or an upgrade to its cable system in the NSCC area and thus this question is not applicable.

The Applicant shall submit a large-scale map for the subscriber network and the institutional network that identifies the locations of proposed (or current) headend facilities, hubs and/or nodes, antennas, and microwave facilities. Such map shall be provided both in hardcopy (at a scale so that the map representation is no smaller than 500 feet per inch) and in a CAD or other electronic format approved by the NSCC. In addition, Applicant shall submit a list of these locations in an electronic database form approved by the NSCC.

Please use additional forms, as necessary.

Comcast refers to its response to question IV.A.2.

D. Construction Practices

The questions in this section relate to planned new construction. Comcast has a demonstrated history of performing upgrades as needed and delivering available cable services on the cable system in the City, but does not have any plans for upgrades and new construction. Thus the questions below are not applicable.

1. *System Construction (Including the Institutional Network and any Construction Required for PEG Access)*

As stated above, questions regarding planned new construction or system upgrades are not applicable.

2. *Discuss the availability of work crews and equipment to ensure compliance with the construction schedule. Detail outstanding agreements with construction companies or equipment suppliers. Supply copies of any commitments regarding this particular project.*

As stated above, questions regarding planned new construction or system upgrades are not applicable.

3. *List all construction codes and standards that will be followed, and the steps you will take to comply with them.*

As stated above, questions regarding planned new construction or system upgrades are not applicable.

4. *List or describe the standards to be followed regarding tower construction, marking and lighting.*

As stated above, questions regarding planned new construction or system upgrades are not applicable. Comcast has no immediate plans for new tower construction.

5. *Do you have a manual of construction practices to be followed by construction crews? If "yes," attach a copy of the manual as an appendix to this application.*

As stated above, questions regarding planned new construction or system upgrades are not applicable.

6. *If the answer to question #5 was "yes," when was your manual of construction practices last updated?*

As stated above, questions regarding planned new construction or system upgrades are not applicable.

E. System Design and Channel Capacity

The NSCC considers system design and channel capacity to be an important part of any application, characterizing the facilities and equipment to be provided by the Applicant.

1. *The Applicant shall describe the design of the existing cable system and any system upgrades it proposes to build or operate (including but not limited to the subscriber network and institutional network) and include, at a minimum, the following information:*

NSCC staff is familiar with Comcast's system and in 2012 conducted a detailed technical audit of that system. Much of the requested information was provided as part of Comcast's response to the NSCC's Technical Review information requests. As shown by the NSCC staff's own reports on Comcast's current system—the capability of that system to deliver high-quality cable services to subscribers is not in question. Comcast thus generally objects to the requests and demands in this section—which often seek very specific and proprietary or confidential information of the company—as needless and overly burdensome. But notwithstanding those objections, Comcast provides the following narrative response regarding its system and makes good-faith efforts to answer individualized requests below.

Comcast's cable system is a 750 MHz system. Upstream signals are transmitted between 5 MHz and 42 MHz. The downstream system is capable of transmitting signals between 50 MHz to 750 MHz.

Comcast's headend is located on Fairview Avenue in Roseville. The Roseville Master Headend Facility is Comcast's command center for the Twin Cities Region network, enabling Comcast to provide a variety of products and services and a seamless experience for its customers. The facility serves more than 600,000 digital cable, high-speed Internet and digital-voice, and home-security customers in the Twin Cities, and Western Wisconsin.

Completed in 1999, the headend facility spreads is worth \$62 million and is over 19,000 total square feet, with room for future expansion. The building design and construction have been recognized as a 'best practices' model for other cable operations throughout the country. The headend network design provides a critical operational advantage in reliability, efficiency and new product launches.

Comcast's Roseville facility includes a 24 x 7 operations group that provides non-stop monitoring of all facets of the delivery system—master headend, 42 network distribution hubs, and 11,583-mile combined HFC/fiber-backbone network. This team works in tandem with Comcast engineers across the country to monitor all channels and video feeds across 21 separate channel lineups along the Twin Cities Region network. In addition, this group identifies and resolves potential service issues before they become customer-impacting.

Managed by Bernard Doffing, one of the longest-tenured and most experienced Comcast employees in the region, the monitoring group

consistently ranks among the best in the nation in critical metrics for issue response time and resolution, and overall network plant performance.

From the headend, Comcast uses fiber-optic infrastructure (the C-RAN) to send signals to its hub location in Shoreview. From the headend and hub, Comcast uses fiber-optic cable to send and receive signals to and from nodes located in neighborhoods, throughout the NSCC area, where forward (or downstream) signals are transformed from light, on the fiber-optic infrastructure, to Radio Frequencies (RF) for insertion onto the coaxial-cable infrastructure for ultimate transmission and distribution to residents and small businesses served by the particular node. Downstream services include all standard definition (SD) digital and high definition (HD) digital channels including video-on-demand (VOD) and 3D channels. Additionally, Internet data, traveling from Comcast's headend or hub to subscribers, and telephone or voice service signals, are carried on the downstream portion of the network. In addition, the nodes receive RF signals from subscribers via the coaxial cable infrastructure which feeds these signals into the node. The node converts these signals to light for transmission, via the fiber-optic infrastructure, to Comcast's headend or hub. Some return signals include upstream data, ordering information for VOD and other video services, home security data, and telephone traffic.

CBG's Technical Report attached as Exhibit A to the NSCC staff's report described Comcast's headend as "among the better designed and maintained headends we have toured." CBG further found that grounding of equipment in various locations throughout the headend and hub is more than adequate for protection of the equipment and personnel having to perform maintenance. CBG also found that fire-suppression systems are professionally installed throughout the 2 facilities and appeared to be sufficient to protect the building and its contents from fire.

CBG also found that both facilities have backup power provided by large permanent generators, Uninterruptible Power Supplies (UPS) and battery banks. This combination of backup power allows for seamless transfers between commercial power and backup or standby power in the event of a power failure at the headend or hub. The generators are capable of operating for days or weeks in the event of a lengthy commercial power outage.

Comcast does not propose any rebuilds or upgrades to the current system at this time, and does not propose new upgrades to the current institutional network.

a. Channel capacity (6 MHz channels) on the subscriber network

Comcast objects to the above characterization of “channel capacity” as “6 MHz,” and any other characterizations or demands with that characterization. Comcast understands this characterization to refer to channels delivered in analog, but Comcast has converted its channels to a digital-format delivery.

(1) Downstream:

- *Frequency spectrum:* 50 to 750 MHz
- *Channel Capacity:* 750 MHz; contains 116 EIAs
- *Type and numbers of channels being transmitted (e.g., standard digital, high-definition, etc.):* See current channel card attached as Exhibit 19.
- *System bandwidth or spectrum used, or reserved, for non-Cable TV services:* Comcast objects to this demand because non-cable services are outside the scope of the NSCC’s authority. Not applicable.
- *Type of transmission (e.g., standard digital, high-definition, etc.):* Standard Digital and High-Definition Digital

(2) Upstream:

- *Frequency Spectrum:* 5–42 MHz
- *Channel Capacity:* Two 6.4 MHz 64 QAM (will be increasing to 3 within next 3 years) and one 3.2 MHz 16 QAM
- *Channel Capacity initially activated:* Comcast’s cable system currently has 2 upstream carriers to monitor modems.
- *Type and numbers of channels being transmitted (e.g., standard digital high-definition, etc.):* 160 channels (HD channels are included in Exhibit 19)
- *Cable system bandwidth or spectrum used, or reserved, for non-cable services:* All of the above described bandwidth is used for data.

b. Channel capacity (6 MHz channels) on the institutional network

(1) Downstream:

- *Usable frequency spectrum:* Comcast currently provides an institutional network with 38 downstream channels. The I-Net is a High/Split 5–174 MHz (upstream) and 222–450 MHz (downstream).
- *Type of transmission (digital, analog):* Comcast provides the I-Net “dark” to the NSCC.

(2) Upstream:

- *Usable frequency Spectrum:* 5–174 MHz

- *Type of transmission (digital, analog):* Comcast provides the I-Net “dark” to the NSCC.

(3) *Number of single-mode fibers to each site (attach list)*

All nodes have been constructed with at least 6-count fiber with 2 exceptions: (i) Lake Johanna Fire Station #3 has 3 strands of subnet fiber and (ii) St. Anthony Liquor Store built with 3 count of fiber from subnet.

(4) *Backbone fiber counts:*

Comcast does not provide dedicated backbone I-Net fiber.

For the subscriber network and the institutional network, attach (i) maps showing the distribution of fiber counts in the backbone and hubs, (ii) maps showing the fiber routing from hub sites to all nodes, and (iii) coaxial cable fiber feeding all user sites. Maps shall be provided both in hardcopy (at a scale so that the map representation is no smaller than 500 feet per inch) and in a CAD or other electronic format approved by the NSCC.

Comcast objects to this request on the grounds that this information is already in the possession of the NSCC. A requested map was provided as part of Comcast’s July 13, 2012 response to the NSCC’s Technical Review information requests. The map previously provided is current. If the NSCC no longer possesses the previously provided map or the previously provided map does not answer an established and justified concern regarding Comcast’s technical capabilities, Comcast can provide a replacement.

- c. Proposed timetable for making additional downstream and upstream capacity available on both the subscriber network and the institutional network.*

Comcast has no immediate plans for system upgrades to make additional downstream or upstream capacity available on the subscriber or institutional network.

- d. Proposed method, bandwidth or capacity, equipment, and timetable to be used to link PEG access facilities and the headend and to permit routing of signals to the subscriber network.*

Comcast will provide transport of HD PEG programming over fiber where Comcast owned fiber facilities and capacity exist. Comcast will provide transport for SD PEG programming over any platform or facility of Comcast’s choosing. CBG’s Technical Review Report proposes several upgrades and improvements based on a presumed need to upgrade to HD PEG programming. In Comcast’s response to Section V below, Comcast has

proposed a PEG capital grant that equates to \$4.8 million over the course of a 10-year franchise. To the extent the NSCC requires PEG-related capital equipment upgrades to enable HD PEG-signal transport, or additional network capacity, the NSCC can seek funding for such upgrades and network capacity from the member cities utilizing the PEG capital funding that Comcast is committing to provide directly to the member cities.

e. Proposed method, bandwidth or capacity, equipment and timetable to be used to link designated facilities to the institutional network.

Comcast will agree to provide institutional network services which provide comparable functionality to that provided the NSCC today using any technology, platform, network, equipment and facilities of its choosing.

f. Describe any additional upstream system capability from public facilities to PEG access facilities and/or the headend. Comcast's answer

Comcast does not propose additional upstream system capability.

g. Subscriber Network and Institutional Network Design Type

Design Type	I-Net	Subnet
Trunk and feeder design	Yes	Yes
Number and location of hubs and/or nodes	2 hubs, 11 nodes	2 hubs, 137 nodes
Number of fibers (from hubs to each node; from headend to hubs)	6 fiber from each hub to each node, except as described in response to Question E.1.b.3	6 fibers from each node to hub with the exception of any node segmentations
Type of fibers (e.g., 1310 or 1550 nm optimized; single-mode or multi-mode)	All single mode.	Single mode fiber
Maximum cascade of actives off nodes	10 amps	6 amps
Average cascade of actives off nodes	6 to 7	4 to 5
Minimum standby time for all active standby power supplies in the subscriber and institutional networks	2 to 5 hours (estimate)	2 to 5 hours (estimate)
Maximum number of subscribers that would be served from any node on the subscriber network	Not applicable	606

Average number of subscribers that would be served from each node on the subscriber network	Not applicable	219
Upstream and downstream minimum, average and maximum data transfer rates	Not applicable	Not applicable
Number of feeders from each node dark fiber in plant shown on system maps.	See Comcast's response to Question IV.E.1.b.3.	Not applicable
Number of fibers from each hub to each I-Net location	Not applicable. See Comcast's Response to Question IV.E.1.b	Not applicable

- h. Distribution system, including copper-based cable, fiber, and equipment to be used. (Provide manufacturer, type of equipment and model number, and physical and technical specifications, and include cable, fiber, active electronics, and passive electronics).*

Comcast specifically objects to this request on the grounds that it is overly burdensome and unnecessary to the evaluation of Comcast's technical qualifications to receive a franchise. Notwithstanding this objection, Comcast refers to its response to Question IV.E.1 above.

- i. Use (if any) and capabilities of set-top units proposed, and conditions under which such units will be made available. The Applicant should specifically indicate whether any set-top units used are capable of High Definition Television reception, 3D video processing, 4K video processing, video-on-demand, video recording, video/data storage, interactive operation and allowing subscribers to simultaneously receive one video signal, and record another. Include input and capabilities, (RS-232, RJ-11, F-Connector, HDMI etc.), technical specifications including noise figures, and throughput (lines of resolution).*

Comcast responds to this request with the table attached as Exhibit 20, which shows set-top units and features.

- j. Plans to operate or contract for transmission services using the following services: private fiber lease, common carrier; Cable Television Relay Service (CARS); Multipoint Distribution Service (MDS); other (please specify).*

None.

- k. Plans to operate or contract for satellite earth stations, including appropriate technical specifications (e.g., size of antenna, manufacturer of antenna; low-noise amplifier make, model number and noise figures; receiver make and model number; standby power; etc.).*

Comcast specifically objects to this request on the grounds that it is overly burdensome and unnecessary to the evaluation of Comcast's technical qualifications to receive a franchise. Notwithstanding this objection, Comcast states that it owns and operates a satellite-earth station array at 2611 Fairview Ave. N., Roseville MN 55113. Satellite-earth stations are utilized to receive services and to provide redundancy for diverse signal reception systems. Satellite earth stations are manufactured by Comtech, Patriot, and Scientific Atlanta; and are sized at 5 meters or 3.8 meters. LNB amplifiers deployed are models: Cal Amp 140194, and NORSAT 3120; C-Band units with a noise figure of 20 and gain of 63 and 60 dB, respectively.

- l. Service level separation–tier isolation and pay isolation. Describe design specifications for delivery of any pay cable services, including methods of security. If more than one (1) service tier is to be provided, describe how lower tier subscribers will be isolated from receiving upper tiers of programming. Additionally, please explain whether converters or other terminal equipment will be necessary to receive the basic service tier.*

All programming content security is now accomplished through conditional access billing. Based on a customer's selected level of service tier, Comcast's billing group encrypts all programming. Customers have access only to the programming they agree to pay for. Comcast has recently also encrypted the B1 tier. This means that all Comcast customers will now need a converter box regardless of what customer premises equipment the customer has.

- m. Headend and hub design and reception facilities (including make and model number of antennas, signal processors, encoders, decoders, modulators, demodulators, etc.), how broadcast channels will be brought in (over fiber or coaxial cable, over the air, off satellite, etc.), and availability of space at the headend for PEG access and I-Net use.*

Comcast specifically objects to this request on the grounds that it is overly burdensome, redundant, vague, and unnecessary to the evaluation of Comcast's technical qualifications to receive a franchise. Notwithstanding this objection, Comcast refers to its response to Question IV.E.1 above and states that the headend located at 2611 Fairview Avenue is a 19,000-square-foot facility. Signals are received at this site through local VHF/UHF antenna systems, TVRO-earth-station arrays, direct fiber-optic transport terminations, and the Converged Regional Area Network. Highly viewed local off-air signals are received both by direct fiber and off air and antenna. Processing and

modulation equipment is comprised of Cisco models 9820, 9824, 9825, 9850, 9852, 9858 and 9860. Digital broadcast channels are deployed throughout the system utilizing Motorola SEM V8 and APEX models, along with Motorola model DM6400 and CAP1000, Harmonic Prostream, and Harmonic Electra 8k/5k. Space is allotted within the headend to accommodate PEG channel equipment

- n. *Describe standby power at the headend, hubs/nodes, and satellite terminals. Provide the make and model number of equipment, as well as reserve capacity. Explain what, if any, equipment in the headend or hubs is not on a backup power system.*

Comcast objects to this request on the grounds that it is overly burdensome, redundant, vague, and unnecessary to the evaluation of Comcast's technical qualifications to receive a franchise. Notwithstanding this objection, Comcast responds by stating that the system provides for standby power at the headend facility through a redundant generator system comprised of a primary 750kw diesel generator, a secondary 500kw diesel generator, and associated automatic-and manual-transfer switches. Generator fuel tanks are sized to provide a minimum of 72 hours of run time. The site also uses an Emerson Netsure 802 dc battery power plant to supply clean dc power to critical equipment and to provide additional backup power during commercial power outages. Field standby power supplies are Alpha XM2 models and are deployed throughout the serving area. These 90v power supplies are equipped with a battery system to provide backup power to optical nodes and line amplifiers during commercial power outages for 2 to 4 hours typically

This combination of backup power allows for seamless transfers between commercial power and backup or standby power in the event of a power failure at the headend or hub. The generators are capable of operating for days or weeks in the event of a lengthy commercial power outage. Comcast also provides standby power for the I-Net. Comcast has 10 pilot generators deployed on the I-Net currently.

- o. *The type of status monitoring systems to be used on the subscriber network and the institutional network and the extent to which it is used (converter, amplifier, node, cable modem, etc.). Provide capabilities of the status monitoring system (noise, signal strength, voltage, power factor, etc.). Provide the approximate number of transponders and type of headend monitoring equipment.*

All Comcast field personnel are trained to be on the lookout for plant discrepancies, even if unrelated to the immediate project to which they are currently assigned. In addition, Comcast has deployed a number of remote monitoring tools, described in Exhibit 25, that help Comcast identify issues on its subscriber network. This is all part of Comcast's focus on preventative maintenance and plant integrity.

- p. The type of audio leveling equipment to be used, including the make, model number, and technical specifications. Explain where such equipment is located, if not locally.*

All audio leveling of Comcast's digital video services is done at the Comcast Media Centers (CMCs) in Atlanta, Georgia and Denver, Colorado. This is where all commercial cable programming originates on Comcast's network. Comcast monitors audio levels with metering equipment at the headend. Any issues with audio leveling are resolved as soon as possible between Comcast Minnesota and the CMCs.

- q. The type(s) of channel blocking and security technologies that will be employed (e.g., interdiction, traps, scrambling and encoding).*

Comcast refers to its response to Question IV.E.1.m. Comcast no longer uses any of the channel-blocking or security technologies referred to in this question.

- r. Description of two-way activation to the home, including equipment used.*

Comcast is launching advanced two-way set top boxes in the NSCC area.

- s. Expected performance characteristics of the subscriber network and the institutional network, including, but not limited to:*

With respect to the subscriber network, Comcast expects its digital-video services to comply with standards contained in SCTE 40, Table 4. A copy of the standards is attached as Exhibit 26. Comcast agrees to provide test results measuring compliance with these standards to the NSCC.

- i. the specification of minimum performance standards of voice, video and data (including the maximum error rates, carrier-to-noise, carrier to coherent disturbances, hum modulation and minimum network availability (uptime), and other measured or required specifications) upstream and downstream from origination points (regardless of whether the point of origin is the headend or some other location); and*

Comcast objects to this request to the extent that it seeks information on which the NSCC does not have authority to regulate. Specifically, NSCC has no

regulatory authority over voice or data services. Thus Comcast will not agree to any performance standards imposed by NSCC with respect to these services. With respect to video services, as stated above, Comcast will meet minimum technical standards set forth in the SCTE 40 document referenced above in section IV.E.1(s).

- ii. *temperature ranges under which the subscriber network and institutional network will be designed to operate without substantial signal degradation, catastrophic failure or irreversible performance changes.*

-40 degree C, to 60 degree C.

- t. *Provide design maps for the cable system and the institutional network. The system (subscriber network and institutional network) design shall be shown on maps using standard symbology in the format of the Member Cities' tax maps, and shall depict all electronic and physical features of the cable plant. Such maps shall be provided both in hardcopy (at a scale so that the map representation is no smaller than 500 feet per inch) and in a CAD or other electronic format approved by the NSCC.*

Comcast refers to its response to Question IV.A.2, IV.C, and IV.E.1.a.4.

- u. *To the extent applicable, provide a cut-over plan which shows how the Applicant will minimize disruption to subscribers during any construction.*

This request is not applicable because no new construction or system upgrade is planned.

- v. *To the extent not already explained, plans for interconnecting the cable system with other broadband communications networks in the Member Cities, Ramsey County, and in adjacent jurisdictions. The plan should show: (1) the proposed manner in which interconnection would be accomplished; (2) to what extent and how the interconnect would permit transmission of information to and from the institutional network proposed by the Applicant and any other institutional network and/or similar networks in the Member Cities, Ramsey County or adjacent jurisdictions; and (3) to what extent and how the interconnect will permit transmission of information and data to and from channels designated for PEG use to and from other cable systems and networks in the Member Cities, Ramsey County or adjacent jurisdictions.*

This question is not entirely clear, but Comcast has no plans to change existing connections that may exist between portions of its network throughout

the Twin Cities area. In regards to connections to networks owned by other entities, to the extent such connections exist today and are known to Comcast and were properly authorized, Comcast has no plans to change those existing connections. Comcast would consider requests for new connections in due course and dependent upon the business justification for such connection and the party who would bear the costs.

F. Performance Standards and Testing

1. *Please describe the Applicant's testing program for the institutional network and the subscriber network, including a summary of procedures for proof of performance tests, acceptance tests, CLI monitoring and testing, continuing tests, tests in response to subscriber complaints, and other tests planned. Test procedures should be submitted for all parameters to be tested.*

Comcast objects to this request on the grounds that it is overly burdensome, redundant, vague, and unnecessary to the evaluation of Comcast's technical qualifications to receive a franchise.

[confidential or trade-secret data begins]

[confidential or trade-secret data ends]

2. *Please list the key technical performance standards that will be met by the institutional network and the subscriber network. Explain, in detail, which standards (if any) do not apply, and why. Include for both the forward and reverse system any parameters for:*

Comcast refers to its response to Questions IV.F.1 and IV.E.1.s.

G. System Maintenance Procedures

1. *Describe the practices and procedures proposed for routine preventative maintenance of the subscriber network and institutional network, including the type and frequency of system physical plant (including, but not limited to, drops to subscribers premises) inspection and testing, and the number and qualifications of technical staff by category (headend, system, line, universal rep.) and service facilities.*

Comcast employs a comprehensive and constantly vigilant approach to ensuring the integrity of its outside plant. When issues such as broken lashing, pole transfers, damaged peds, utility violations, missing riser guard or grounds, broken or missing down guys, unburied drops, drops not properly attached to a pole or house, or damaged drops are discovered, requiring the attention from Comcast's construction department to restore the integrity of outside plant ("plant discrepancies"), Comcast begins addressing such discrepancies immediately through the process described below.

Because many plant discrepancies are not caused by Comcast, but are the results of forces and factors beyond Comcast's control, including weather, animals (e.g., squirrels), and third parties, it is not possible for Comcast to provide assurances that all of its outside plant is in satisfactory condition at all times – that is a simple fact of maintaining outside plant in the environmental and geographic conditions Comcast regularly experiences in Minnesota.

The following is a description of Comcast's process for resolving plant discrepancies, with further information is provided in Exhibit 25:

[confidential trade-secret data begins]

[confidential or trade-secret data ends]

Clearly, the NSCC is served by one of the highest quality and best performing cable networks in Comcast's entire national footprint.

Notwithstanding the high quality of the NSCC subscriber network, Comcast is continually striving to improve itself, and can share the following

concrete steps to reduce the number of plant discrepancies that occur and for those that do occur, ensure that they are addressed as soon as possible.

1. Comcast field personnel, including contractors, are constantly on the lookout for plant discrepancy issues.
 2. Comcast has increased its emphasis in training technical operations, construction and maintenance personnel, and contractors on the proper reporting plant discrepancy procedures.
 3. Comcast is ensuring that all report backs from Comcast contractors are logged on the main line discrepancy reports.
 4. All Comcast technical operations field staff will be issued I-Phones and I-Pads which will make it even easier for them to report plant discrepancies from anywhere in the field.
 5. All Comcast main line technicians' are equipped with laptops with air cards. The laptops are loaded with XOC software tools that allow construction personnel to identify, report, and resolve plant discrepancy issues from the field.
2. *Attach any corporate maintenance procedures which the Applicant proposes to follow during the term of the franchises for the Member Cities.*

Comcast refers to its response to question IV.G.1.

3. *Please describe your procedures for the provision of continuous, uninterrupted service to subscribers during the term of the franchises, for restoration of service should circumstances cause service interruption, and for coordination with other utilities to restore service.*

Comcast objects to this request on grounds that it is overly burdensome, redundant, vague, and unnecessary to the evaluation of Comcast's technical qualifications to receive a franchise. Notwithstanding this objection, Comcast refers NSCC to the rest of its responses to this RFRP for a comprehensive explanation of how Comcast provides continuous, uninterrupted services to subscribers.

V. PEG and I-Net Use

Please describe separately:

A. PEG Use Channel Capacity/Bandwidth

1. *The number of forward/downstream channels to be provided (both standard definition digital, high-definition digital and/or other), channel number and tier assigned, and date of availability for each public, educational and governmental (“PEG”) channel proposed or, in the alternative, the percentage of the cable system’s maximum channel capacity to be provided for PEG use (including storage capacity on video and computer servers). This description should also discuss the Applicant’s migration plan for converting standard definition digital PEG access services to high-definition digital services now or in the future.*

Based on the ascertainment of community needs and interests, Comcast will provide up to 3 standard definition channels and 1 high definition channel for PEG purposes—all available on Comcast’s basic-tier of service as may be applicable. The allocation of content on the channels will be in the sole discretion of the NSCC or its designee. The exact channel numbers will be determined in consultation with the NSCC but are generally anticipated to be consistent with the current PEG channel numbers, with the exception of the HD channel.

The 3 SD PEG channels will be available immediately. The HD PEG channel will be made available on 3 months’ written notice following certification by NSCC or its designee that there is enough qualifying HD PEG content being produced so as to be able to reasonably program an entire HD channel for the programming day. The qualifying amount of HD PEG content will not be less than 5 hours per day, 5 days per week of locally produced, non-character generated, first-run programming (for example, a locally produced one-hour HD program subsequently replayed 3 times counts as only 1 hour rather than 4 hours). The PEG content of the HD PEG channel will be solely determined by the NSCC or its designee (specifically as to whether to use the HD channel to simply duplicate one of the SD PEG channels or create a “best of” HD PEG channel with a mix of HD programming across public access, educational, and governmental producers). The HD channel number will be designated by Comcast at the time the triggering qualifications are met.

The PEG channels will be provided in a manner that delivers an acceptable signal without degradation and consistent with FCC standards. The

signal quality will be materially the same as between PEG channels and other channels on the cable system.

PEG channels will remain in reasonable proximity to one another. But Comcast cannot guarantee permanent assigned channel numbers and must have the ability to arrange its channel line-ups as it deems necessary or as may be required by federal law or other legal requirements (such as broadcaster rights to certain channels). Comcast will however provide advance notice of PEG channel number changes, including assistance with notifications to customers and reimbursement for costs (such as reprinting letterhead and business cards) up to \$1,500.

Comcast recognizes that it proposes fewer channels than demanded in the Staff Report and RFRP. But PEG-channel demands must be justified and narrowly tailored to important government interests (because, as explained above, they involve taking away Comcast's editorial discretion over protected speech). The Cable Act also only allows the NSCC to demand "adequate" PEG channels. And the NSCC Staff has not shown a need for a remarkably high 8 channels devoted to PEG programming. As explained further above, the Buske study (flawed as it was) showed low interest in PEG programming, as did the Talmey-Drake study.⁷⁵ Also notable is the clear inability of the NSAC to effectively use the 8 PEG channels under the current franchise agreement. As detailed in the report of Professor Sanders, stale content drives down viewers and interest, and reduces the success of PEG channels. Current media consumption trends and technology also show how viewers can and do prefer to receive local news and information – and most if not all of the programming that might appear on PEG channels – through other means, including internet and live streaming. In sum, more content on fewer channels will enhance and not reduce the quality of PEG programming. The NSCC Staff, through its report, has not shown a substantial need for 8 PEG channels.

2. *The spectrum space to be provided for reverse/upstream access uses, and the manner in which the Applicant proposes to provide reverse/upstream capability from locations specified by the NSCC. This description should also delineate the specific equipment to be provided which is associated with signal transmission (e.g., transmitters, receivers, encoders, decoders, modulators and demodulators).*

Comcast will provide transport for HD and SD PEG programming. PEG programming feeds are processed via subchannel modulation and backhauled to the headend, where it is re-modulated to the customer over its designated channel. Comcast will be responsible for providing the equipment on the

75 Ex. 3.

headend side to receive the PEG programming. The NSCC or its designee will be responsible for providing the equipment necessary for transmitting the programming to Comcast's headend. If any Comcast-owned equipment used to receive PEG programming reaches end-of-life or obsolescence, Comcast will have the right to replace or upgrade such equipment at its discretion.

3. *The spectrum space and storage capacity to be provided for interactive and video on demand PEG services (both standard definition digital and high-definition digital), as well as associated equipment and facilities to be provided.*

Comcast does not propose interactive or video-on-demand programming for PEG channels. The Talmey-Drake report shows that subscribers do not have interest in having PEG programming delivered over a VOD platform. And the Buske Group/Group W survey failed to ask any questions about video-on-demand PEG programming. Also, experience from other communities demonstrates a lack of subscriber interest in PEG programming via on-demand platforms. In some locations, such as Fridley and St. Louis Park, Comcast's predecessors negotiated with communities to provide VOD opportunities in return for channel capacity. The data showed that customers had almost no interest in this feature. For example, in December 2012 Fridley placed 8 episodes of Civic on Demand on the platform. These episodes were viewed just 14 times, or about 1.8 times per episode.

In light of a clear lack of interest in on-demand PEG programming, Comcast believes that the NSCC's demands could be best addressed through web-based and streaming-video solutions.

4. *The method (e.g., fiber or coaxial cable) by which the PEG access facilities and the headend and/or system hubs will be linked. The description should include the channel capacity and associated bandwidth in both forward and reverse directions to be provided between the locations.*

Comcast will provide transport of PEG programming over fiber where Comcast owned fiber facilities and capacity exists.

5. *The conditions, if any, under which current and any future PEG access channel locations (both standard definition digital and/or high-definition digital) will be changed.*

Comcast cannot reasonably anticipate all future conditions or legal requirements that might require changes in the channel lineup. But as stated above, PEG-access channels will be in reasonable proximity to each other and

on Comcast's basic- or entry-level service, and Comcast can provide advance notice of PEG channel number changes, including assistance with notifications to customers and reimbursement for costs (such as reprinting letterhead and business cards) up to \$1,500.

6. *The conditions under which additional standard definition digital or high definition digital PEG access capacity will be provided (including capacity on the subscriber network, an institutional network and video and computer servers).*

Comcast's proposal for 3 standard-definition PEG channels and 1 high-definition PEG channel is more than adequate to meet the community needs and interests for PEG programming in light of the results of the ascertainments by both parties and historical use of PEG channels in the member cities. This proposal should result in 4 robust PEG channels that will result in improved viewership and greater community interest than has existed in the past as shown by the ascertainments.

In proposing to provide NSCC 3 standard-definition PEG channels and 1 high-definition PEG channel, Comcast is in no way relinquishing its ownership of or ultimate right of control over any cable-system capacity or any channel position.

In the event that the NSCC can demonstrate that the proposed PEG channels are fully programed to the extent that there is locally produced, non-character-generated PEG programming that cannot be aired in a timely manner, Comcast would make available 1 additional SD PEG channel. In order to trigger the additional SD channel, the NSCC must document to Comcast's satisfaction that its programming meets the criteria set forth in Minnesota Statutes section 238.084, subd. 1(z). Upon satisfaction of this prerequisite by the NSCC, Comcast will have no less than 3 months and up to 6 months to make the additional PEG channel available (which channel number may not be in immediate proximity to the existing PEG channels if doing so would cause the relocation of another programmer). In no event will the total number of PEG channels exceed five regardless of the format in which they are delivered.

As a further benefit to help strengthen PEG channels, Comcast will assist the NSAC in getting detailed program listings on the digital channel guide. The digital channel guide is provided by a third-party vendor. Comcast will facilitate the NSAC contacting that vendor to make arrangements for it to provide the vendor with detailed program listings for inclusion on the digital channel guide. The costs and labor involved in providing the program information is the responsibility of the NSAC. Note that this capability may be limited if the NSAC chooses to continue to have 1 or more channels

narrowcasted to particular communities as the channel guide is not capable of such narrowcasting.

B. PEG Access Management

Describe the manner in which the Applicant proposes to cooperate and coordinate with any access management entity designated by the NSCC, including (but not limited to), the NSAC, the Member Cities.

Comcast has under the current franchises and will under future franchises cooperate with the NSCC, the NSAC, the Member Cities, and any other entity or person responsible for operating or managing proposed PEG channels.

C. PEG Access and I-Net Facilities and Equipment

1. *How much does the Applicant plan to contribute financially for and in support of operations, facilities and/or equipment for PEG access (1) above and beyond any costs associated with constructing/upgrading the cable system (and any parts thereof) to satisfy PEG access needs, interests and requirements; and (2) above and beyond the maximum franchise fee permitted under applicable law?*

Section 621(a) of the Cable Act prohibits an LFA from unreasonably refusing to award a franchise. Section 621(a)(4) of the Cable Act allows an LFA to require “adequate assurance that the cable operator will provide adequate public, educational, and governmental access channel capacity, facilities, or financial support.” In its 621 Order, the FCC, interpreting these 2 statutory provisions together, ruled that LFAs may not make unreasonable demands for PEG and I-Net support.⁷⁶ The FCC also affirmed that an LFA must “evaluate their current and future PEG needs at the time of an incumbent provider’s renewal, and are allowed to request such PEG support from their providers, within the limits of the Act and the Commission’s statutory interpretation.”⁷⁷ Section 622(g)(2)(C) excludes from the term “franchise fee” any “capital costs which are required by the franchise to be incurred by the cable operator for public, educational, or governmental access facilities.” The FCC has made clear that any such capital requirements made of a cable operator are not subject to the 5% franchise fee standard.⁷⁸ Though PEG capital costs are not subject to the

76. 621 Order ¶110. Second 621 Order ¶¶12-15.

77. Second 621 Order at ¶15.

78. 621 Order at ¶109; Second 621 Order at ¶13.

5%-franchise-fee cap, they remain subject to the Cable Act's "reasonableness" requirement and that such LFA requests be supported by an evaluation of PEG related community needs.

Despite the above legal framework, the RFRP demands PEG funding in the amount of \$27,718,870.69 over the ten-year term of the franchise. This astonishing sum amounts to a cost of \$916 per customer over the term of the franchise, or \$91.60 per year, or \$7.63 per customer per month (this calculation does not take into account a fair division of individual community PEG capital demands on a per subscriber basis - this number depends on the larger communities subsidizing the smaller communities' PEG capital demands).

In this Proposal, Comcast offers to provide lawful PEG capital funding but will not provide operating support beyond the 5% cap on franchise fees. Regarding PEG capital costs, the demands identified in the RFRP are unjustified and unlawful for the reasons stated elsewhere in this application and in the exhibits hereto. The needs ascertainment presents a gold-plated shopping wish list without taking into consideration the evidence as to current equipment condition and remaining useful life, nor is there any consideration of customer willingness to pay such costs. The RFRP fails to take into consideration any of the \$2.1 million reserve held by NSCC/NSAC.⁷⁹

Comcast proposes as follows:

- (1) All customers regardless of municipality will be assessed a PEG-capital-support fee of **\$0.44 per month** in support of the PEG capital needs of the NSCC/NSAC. This number is consistent with historical capital spending by NSCC/NSAC. Based on current subscriber numbers (30,255 customers), this will produce PEG capital funding for NSCC/NSAC totaling approximately **\$1.6 million** over the term of the franchise. The current franchise provides a PEG fee of \$1,417,286 over 15 years, which is just under \$0.27 per subscriber. **As such, this part of Comcast's proposal alone increases current PEG capital funding by 63%.**
- (2) Needs Assessment Report Exhibits B & G demand additional PEG capital funding for each individual municipality with an "initial" amount, followed by "replacement" amounts in years 5, 7½, and 10. The tenth-year funding is inappropriate since the renewed franchise would expire after 10 years and any funding needed at that point would be part of the renewal discussions starting sometime after year 7. Otherwise, for purposes of this formal proposal, **Comcast offers to provide 100% of the capital funding set forth on a per community basis as detailed in**

79. See Ex. 2.

Exhibit B of the Needs Assessment Report less half of the \$2.1 million reserve held by the NSCC/NSAC, as follows:

RFRP Demand Per Community, Less Year 10				
Municipality	Initial	Year 5	Year 7.5	Total
Arden Hills	\$343,145	\$20,000	\$10,038	\$373,183
Falcon Heights	\$387,145	\$20,000	\$54,038	\$461,183
Lauderdale	\$387,145	\$20,000	\$54,038	\$461,183
Little Canada	\$343,145	\$20,000	\$10,038	\$373,183
Mounds View	\$383,145	\$20,000	\$50,038	\$453,183
New Brighton	\$343,145	\$30,000	\$10,038	\$383,183
North Oaks	\$343,145	\$20,000	\$10,038	\$373,183
Roseville	\$433,145	\$30,000	\$50,038	\$513,183
Shoreview	\$383,145	\$20,000	\$50,038	\$453,183
St. Anthony	\$383,145	\$20,000	\$50,038	\$453,183

Each Community must be assigned its share of half of the \$2.1-million reserve held by NSCC/NSAC, such that the resulting \$1,050,000 is divided as follows:

Distribution of Half of NSCC/NSAC Reserve			
Municipality	Total Subs	% of Subs	Share of Reserve
Arden Hills	1,814	5.996%	\$62,954.88
Falcon Heights	1,061	3.507%	\$36,822.01
Lauderdale	495	1.636%	\$17,178.98
Little Canada	2,431	8.035%	\$84,367.87
Mounds View	2,291	7.572%	\$79,509.17
New Brighton	4,839	15.994%	\$167,937.53
North Oaks	1,091	3.606%	\$37,863.16
Roseville	8,366	27.652%	\$290,342.09
Shoreview	5,741	18.975%	\$199,241.45
St. Anthony	2,126	7.027%	\$73,782.85

Remaining PEG Capital Need			
Municipality	Total	Share of Reserve	Total Need
Arden Hills	\$373,183	\$62,954.88	\$310,228.12
Falcon Heights	\$461,183	\$36,822.01	\$424,360.99
Lauderdale	\$461,183	\$17,178.98	\$444,004.02
Little Canada	\$373,183	\$84,367.87	\$288,815.13
Mounds View	\$453,183	\$79,509.17	\$373,673.83

New Brighton	\$383,183	\$167,937.53	\$215,245.47
North Oaks	\$373,183	\$37,863.16	\$335,319.84
Roseville	\$513,183	\$290,342.09	\$222,840.91
Shoreview	\$453,183	\$199,241.45	\$253,941.55
St. Anthony	\$453,183	\$73,782.85	\$379,400.15

Comcast will provide 100% of this remaining PEG capital need directly to each municipality based on the cost divided over the number of subscribers in that community over the life the franchise, for a monthly PEG capital fee for each community as follows:

Monthly PEG Capital Fee For Individual Community Need			
Municipality	Total Need	Subs	Cost Per Sub Per Month
Arden Hills	\$310,228.12	1,814	\$1.43
Falcon Heights	\$424,360.99	1,061	\$3.33
Lauderdale	\$444,004.02	495	\$7.47
Little Canada	\$288,815.13	2,431	\$0.99
Mounds View	\$373,673.83	2,291	\$1.36
New Brighton	\$215,245.47	4,839	\$0.37
North Oaks	\$335,319.84	1,091	\$2.56
Roseville	\$222,840.91	8,366	\$0.22
Shoreview	\$253,941.55	5,741	\$0.37
St. Anthony	\$379,400.15	2,126	\$1.49

Based on the above calculations, the total PEG capital fee that Comcast will pay to each community is as follows:

Municipality	Base Capital Fee	Community Capital Fee	Total Capital Fee
Arden Hills	\$0.44	\$1.43	\$1.87
Falcon Heights	\$0.44	\$3.33	\$3.77
Lauderdale	\$0.44	\$7.47	\$7.91
Little Canada	\$0.44	\$0.99	\$1.43
Mounds View	\$0.44	\$1.36	\$1.80
New Brighton	\$0.44	\$0.37	\$0.81
North Oaks	\$0.44	\$2.56	\$3.00
Roseville	\$0.44	\$0.22	\$0.66
Shoreview	\$0.44	\$0.37	\$0.81
St. Anthony	\$0.44	\$1.49	\$1.93

Comcast's proposal reasonably responds to the NSCC's demands and more than pays for "adequate" PEG facilities. Comcast will make all proposed PEG payments directly to the Member Cities. Comcast will not agree to remit PEG payments directly to the NSCC or NSAC.

2. *How much does the Applicant plan to contribute financially for and in support of facilities and/or equipment for an institutional network (1) above and beyond any costs associated with constructing/upgrading the cable system (and any parts thereof) to satisfy institutional network needs, interests and requirements; and (2) above and beyond the maximum franchise fee permitted under applicable law?*

I-Nets under the Cable Act. As further analyzed above in its legal objections and the Executive Summary, the Cable Act does not authorize demands on cable operators to construct and provide I-Nets free of cost to LFAs.⁸⁰ Section 611(b) allows LFAs to seek capacity on an I-Net that the cable operator has chosen to build for its own commercial purposes, but only for providing "channel capacity [that may] be designated for public, educational, or governmental use."⁸¹ Thus to the extent the NSCC demands an I-Net that does not serve the function of carrying channels of PEG programming, and is in fact a demand for a complimentary telecommunications and data pipeline for municipalities – the demand violates the Cable Act.

No Showing of Community Need or Interest in an I-Net. In addition the Staff Report provides sparse information supporting a purported community need and interest for a free and separate institutional network. The Staff Report

80. 47 U.S.C. § 541(b)(3)(D) ("Except as otherwise permitted by sections 531 and 532 of this title, a franchising authority may not require a cable operator to provide any telecommunications service or facilities, other than institutional networks, as a condition of the initial grant of a franchise, a franchise renewal, or a transfer of a franchise.").

81. 47 U.S.C. § 531(b) ("A franchising authority may in its request for proposals require as part of a franchise, and may require as part of a cable operator's proposal for a franchise renewal, subject to section 546 of this title, that channel capacity be designated for public, educational, or governmental use, and channel capacity on institutional networks be designated for educational or governmental use, and may require rules and procedures for the use of the channel capacity designated pursuant to this section."); 47 U.S.C. § 531(f) ("the term 'institutional network' means a communication network which is constructed or operated by the cable operator and which is generally available only to subscribers who are not residential subscribers").

cites to “various findings and conclusions supporting the need for an institutional network” in the Needs Assessment Report and CBG’s Technical Review Report.⁸² But the Buske Memo points to nothing more than a few purported requests by anonymous focus-group participants to maintain the existing I-Net.⁸³ These anonymous statements are then cited as the basis for “primary” and “major” findings” of “cable-related needs and interests for the NSCC franchise area.”⁸⁴ The Technical Review Report is more helpful and states that the NSCC’s technical consultant, CBG Communications “worked with the NSCC, CTV staff and I-Net Users to gain an understanding of the current state of the I-Net, how it is performing, how it is being used now, what future I-Net needs exist and what changes need to be made to satisfy those needs, and the perceived value of the network.”⁸⁵ CBG’s Technical Review Report goes on to discuss various organizations within and outside the NSCC franchise area that currently utilize the Comcast provided NSCC I-Net for voice, video (non-cable), and data transport. But CBG’s Report makes no findings as to “community needs and interests” other than to state that unnamed and “unforeseen” new local governmental organizations will want to connect to the Comcast provided I-Net in the next 10 years. The Technical Review Report also documents some I-Net related equipment needs and recommends network performance standards for the I-Net. The Staff Report provides no information regarding the NSCC’s current levels of use of the existing I-Net provided by Comcast under the current franchise.

Current I-Net. The current franchises have required Comcast to provide a free I-Net to the NSCC comprised of 2 elements:

(i) A hybrid fiber coaxial network with 54 channels of capacity (16 upstream channels and 38 downstream channels). Comcast is required under the franchises to serve approximately 200 local governmental and non-profit buildings designated by the NSCC.

82. Staff Report at 51.

83. Buske Memo. at 20, 25-26, 44-45.

84. *Id.* at 47. The Talmey-Drake critique report discusses at length the serious flaws in The Buske Group’s needs assessment methodologies. In particular, the Talmey-Drake report concludes that the opinions of a few people in a focus group discussion cannot be projected to the broader NSCC franchise area population. *See* Ex. 4 (Talmey-Drake critique report).

85. CBG’s Technical Review Report at 22.

(ii) Up to 6 strands of dark fiber to institutional network “nodes” designated by the NSCC.⁸⁶

Commercial Use of I-Net. Notwithstanding the NSCC’s failure to document the community need and interest for an I-Net, Comcast has become aware that the City of Roseville (an NSCC Member City) has leveraged the Comcast provided I-Net into its own proprietary wide area network which the City has brand named “Metro INet.” Metro INet provides a suite of IT, data, and telephony services to at least 140 local governmental sites within and outside the NSCC franchise area. ⁸⁷ As of October 2012, the City of Roseville collected nearly \$500,000 in annual service fees from Metro I-Net customers pursuant to joint powers agreements executed with local governmental customers.⁸⁸ The sale of Comcast I-Net services by the City of Roseville violates section 7(c) of the NSCC franchise, which provides that “use of the Institutional Network is limited to its own use(s) and no institution may sell Institutional Network capacity or usage to any third party, without the express written consent of Grantee [Comcast].” Comcast has never granted consent to the resale of its services by the City of Roseville.

Proposal for Renewed Franchise. Notwithstanding Comcast’s objections above and throughout this application, and in an attempt to accommodate the NSCC’s demands, under renewed NSCC franchises Comcast will agree to continue to provide institutional-network services comparable to that provided today. Comcast will offer the portion of that service used for PEG-purposes without charge to the NSCC (subject to Comcast’s right to pass through the value of the PEG-related institutional services to subscribers as a PEG-capital contribution). To account for the NSCC’s I-Net usage unrelated to PEG, Comcast will charge the fair-market value of that portion. If the NSCC and member cities would prefer to not pay for the non-PEG-related I-Net features that it demands, Comcast will offer these services as an in-kind contribution to the NSCC subject to the 5% franchise fee cap. The member cities of the NSCC may allocate these costs depending on their usage. The NSCC and member cities would be prohibited from offering the network as a commercial service to nongovernmental entities.

86. The list of designated institutional network “nodes” to receive dark fiber was clarified in a 2002 “Memorandum of Understanding.”

87. See Ex. 10 (Roseville Metro INet map); Ex. 11 (Metro INet presentation).

88. See Ex. 9 (Roseville Joint Powers Summary).

To establish the fair market value of the NSCC I-Net, Comcast asked the economic consulting firm QSI Consulting to build a valuation model of the NSCC I-Net. QSI is a premier consulting firm that specializes in economic modeling of telecommunications networks. Leading the I-Net valuation modeling project for QSI was Michael Starkey, who has over 20 years of experience in econometric modeling of telecommunications networks.

QSI valued the existing I-Net at approximately \$7.4 million over the course of a 10-year franchise, not including PEG-related uses.⁸⁹ Comcast will thus provide an I-Net, worth approximately \$7.4 million over a 10-year period allocated for payment by the NSCC's member cities (as they deem appropriate based on their usage) or as part of franchise fees (and subject to the 5%-franchise-fee cap). The other 8% value of the I-Net that is used for PEG purposes—or \$645,000—will be an in-kind capital contribution that may be passed through to customers at \$0.18 per month per customer.

- a. *Describe any facility or facilities to be made available for institutional network use, including location and size (square footage).*

As discussed above, Comcast agrees to continue providing the NSCC institutional network services of comparable functionality to that provided the NSCC today. To the extent the NSCC seeks to expand (or contract) the following elements of the institutional network, Comcast will adjust the value according to the following cost structure:

Network Element	Cost
Network Interconnectivity	\$1,675.80/mo/location
Collocation	\$750.00/month/rack/cabinet (including up to 20 amps of power)

- b. *Describe any equipment packages which the Applicant proposes to provide for institutional network purposes. The Applicant must set forth the proposed capital equipment budget for the initial equipment package and a budget outlining the replacement schedule for equipment during the term of the franchise. Applicant must provide detailed equipment lists (including manufacturer and model number), and indicate whether the equipment is new or used. If used equipment is proposed, provide the age of the equipment, and a certification from an independent engineer as to the condition of the equipment.*

89. As the QSI Report points out, 8.02% is a generous allowance for PEG capital due to the fact that PEG/I-Net related maintenance and administrative expenses could not be separated out of the PEG capital calculation. See Ex. 5.

The only equipment provided by Comcast with respect to the I-Net is for the PRISMA interconnectivity. The PRISMA network consists of a 10 Gb Ethernet fiber ring that allows the NSCC to transmit traffic between and among Comcast hub locations. It is generally accepted both by Comcast and the NSCC that the existing PRISMA transmission equipment on the fiber rings is at or near the end of its life and cannot be replaced. Comcast is willing to migrate the PRISMA electronics to Comcast's modern Metro-E ethernet technology, which would allow the NSCC to add or drop 1Gb locations to the fiber rings. Comcast's Metro-E products are much more rich, reliable, and efficient than the existing PRISMA electronics. Comcast is willing to finance the capital investment to migrate the I-Net hub sites currently using PRISMA electronics to Comcast's Metro-E electronics at no additional charge to the NSCC. But additional add/drop locations in the future will be billed (or credited) at \$1,675.80/month/location.

3. *When would the support identified above be provided?*

With respect to franchise fees and PEG capital funding, payments will be made directly to member cities on a quarterly basis.

4. *Describe the conditions under which the Applicant would agree to be bound to provide additional channels, facilities, funding and/or equipment for PEG access use and institutional network use.*

This question is fully addressed in the response to Section V.A-C. above.

D. Access Services

1. *Please describe the PEG access services the Applicant proposes to provide, or any financial or in-kind contribution the Applicant proposes to make to support PEG access operations. The Applicant should separately identify each access service it proposes to provide (e.g. training, facilitation, outreach, etc.); who would provide the service; the staff devoted to the service; and the times the service would be available. The description should include any annual budget for the delivery of any PEG access services. The Applicant should assume any such services will be provided in addition to, and not as a part of, the franchise fees paid to the Member Cities.*

This question is fully addressed in Section V.A-C above.

VI. Leased Access and Regional Channel

1. *Please describe how the Applicant intends to comply with the leased access requirements of the Cable Act (including pricing policies to be followed by the Applicant and the records it will keep so that compliance can be confirmed).*

Comcast provides leased access as required by the Cable Act. Comcast does not propose any change from existing leased-access practices.

2. *Does the Applicant desire to propose to lease channels for other than commercial use, as the term is used in the Cable Act? If the answer is "yes," the Applicant should describe the proposal.*

Comcast provides leased access as required by the Cable Act. Comcast does not propose any change from existing leased-access practices.

3. *Please describe how the Applicant intends to comply with the standard VHS channel 6 requirement (commonly referred to as Regional Channel 6 or MCN Channel 6) set forth in Minn. Stat. § 238.084, subd. 1(bb).*

Comcast complies with the standard VHS channel 6 requirement as required by Minn. Stat. § 238.084, subd. 1(bb). Comcast does not propose any change from existing practices.

VII. Video and Informational Services

If the Applicant desires to promise to provide certain broad categories of video and "other services" (including, but not limited to, Universal PEG Service, as described in the November 3, 1994, Memorandum of Understanding, and/or information services) to subscribers as part of its proposal, or demonstrate the manner in which it proposes to deliver a greater variety of programming, it should describe those categories here.

Comcast will offer current "Universal PEG Service" customers a transition period of 6 months from the start of the new franchise during which they can obtain the Basic Service Tier at a 50% discount for 6 months. 6 months after the start of the new franchise, the "Universal PEG Service" will be terminated.

Comcast offers a rich variety of video and other services to its customers within the member cities. Not only does Comcast continue to expand the breadth of content available, it is improving the ability of customers to find what they want when they want it. Comcast anticipates continuing to provide its customers with the best video and other services throughout the term of the member cities' franchises.

VIII. Interactive Services/Video-on-Demand Services/HDTV Services/3-D Services/4K Services/Universal PEG Service

1. *If the Applicant desires to promise to provide certain broad categories of interactive cable services to residential and business subscribers, it should describe them here.*

As it has done for the past decade in the NSCC member-city communities, Comcast will bring innovative and popular new services, including interactive cable services, to its customers. Any information about such services is set forth for informational purposes only. Comcast continues to launch innovative interactive cable services such as Video On Demand and IP-delivered video options for its customers. Comcast references its answers to questions VIII.2 through VIII.6 below, which discuss video-on-demand, HDTV, 3D, and 4k services.

2. *If the Applicant proposes to provide certain broad categories of video-on-demand services to residential and business subscribers, it should describe them here.*

Comcast's On-Demand library now exceeds 80,000 titles, with over 20,000 HD choices, available on TV and Streaming online.

3. *If the Applicant proposes to provide broad categories of HDTV services to residential and business subscribers, it should describe them here.*

Comcast offers and will continue to offer a superior digital service that provides access to popular digital channels in standard and HD formats.

4. *If the Applicant proposes to provide broad categories of 3-D cable services to residential and business subscribers, it should describe them here.*

Comcast offers and will continue to offer a superior digital service that provides access to 3D content to the extent such content is available and there is sufficient customer demand for it.

5. *If the Applicant proposes to provide broad categories of 4K cable services to residential and business subscribers, it should describe them here.*

Comcast presently has no plans to provide 4k cable services to residential and business subscribers at this time, but will explore opportunities as technology and customer interest allow.

6. *If the Applicant proposes to maintain free Universal PEG Service, as described in the November 3, 1994, Memorandum of Understanding, it should state so here.*

Comcast will offer current “Universal PEG Service” customers a transition period of six months from the start of the new franchises during which they can obtain the Basic Service Tier at a 50% discount for six months. Six months after the start of the new franchises, the “Universal PEG Service” will be terminated.

IX. Narrative Summary of Responsiveness to Local Needs**A. Description of Proposed Cable System**

1. *Describe in narrative form your concept of the cable system (subscriber network and institutional network) proposed for the Member Cities, including anticipated system development over the life of the franchises. Describe and emphasize particularly those features which are not included in any other section of the Request for Renewal Proposal which the Applicant desires the NSCC and the Member Cities to consider in evaluating the proposal.*

Comcast objects to this question—the cable system is not a “concept” but rather has been fully built and functioning for more than a decade under Comcast’s control. Comcast refers the NSCC to previous answers to specific questions throughout this application, including sections IV, V, VI, VII, VIII, and the Executive Summary.

2. *If the Applicant proposes to provide any other service, facility or equipment which the Applicant may wish to contend is relevant in determining whether the Applicant’s proposal meets the cable-related needs and interests of the Member Cities, it should describe the service, facility or equipment in complete detail; describe how it will be provided, under what circumstances and for what charge.*

Comcast refers the NSCC to previous answers to specific questions throughout this application, including sections IV, V, VI, VII, VIII, and the Executive Summary, and to experience under the current system.

3. *Emphasis should be given to explaining why the Applicant believes its proposal is reasonable to meet the cable-related needs and interests of the Member Cities, taking into account the cost of meeting such needs and interests.*

Comcast refers the NSCC to previous answers to specific questions throughout this application, its legal objections, and the Executive Summary, and to experience under the current system.

4. *Is the Applicant proposing to provide a system (subscriber network and institutional network) which meets or exceeds the requirements in the RFRP? If not, identify each and every deviation from the requirements and the specific reasons for each deviation.*

Comcast objects to this question as overbroad and unduly burdensome. Comcast references its specific answers throughout this application and its

Executive Summary, along with all attached exhibits and reports attached with this application. To the extent that Comcast's proposal does not "meet or exceed" the demands made in the Staff Report and RFRP (and to the extent that Comcast's model franchise proposal does not "conform to the model" offered by the NSCC Staff) it is because those demands are unreasonable, immaterial, unjustified or unsubstantiated, or unlawful, and Comcast reasonably explained those issues in the section above titled "Legal Issues and Objections Regarding the Staff Report and RFRP," its Executive Summary, its specific answers throughout this application and attached exhibits, and the attached reports.

5. *Is the Applicant proposing to provide a system (subscriber network and institutional network) which conforms to the model in this RFRP? If not, identify each and every deviation from the model and the specific reasons for each deviation.*

Comcast objects to this question as overbroad and unduly burdensome, references its answer above to question IX.A.4, and references its model franchise proposal attached as Exhibit 1. Comcast's proposal meets or exceeds all of the lawful and justifiable requirements in the model and the RFRP.

6. *Is the Applicant proposing to provide financial and/or in-kind support for PEG access and an institutional network that satisfies this RFRP and the cable-related needs and interests of the Member Cities and their respective communities of interest? If not, identify each and every deviation from this RFRP and identified cable-related needs and interests, and the specific reasons for each deviation.*

Comcast references its objection and answer above to question IX.A.4, and references its Executive Summary and its responses to specific sections above regarding PEG financial support and demands for an institutional network.⁹⁰

7. *Please provide a map showing all coaxial and fiber-optic cables currently installed by the Applicant and its affiliates in the Member Cities' public rights-of-way, and describe how they relate to and/or function as part of the cable system proposed by the Applicant.*

The NSCC has the requested information, and Comcast objects to the production of this information in light of its confidential and voluminous nature. Comcast will discuss with the NSCC what maps are necessary and not already possessed by the NSCC to provide the necessary information.

90. See, e.g., *supra* Section V.

B. Description of Management and Organizational Structure

1. *Describe the proposed management structure, organizational structure and operations for the Applicant (including an organizational chart). Emphasis should be given to the proposed method for translating local needs into corporate decisions throughout the term of the franchises. Include a description of the proposed relationship between local management and the regional office/division, all parent entities and/or other decision-making entities, if applicable.*

Comcast references its description of local managers in response to question IX.B.2. below. Comcast believes the NSCC possesses the requested information about local management and operations. While many decisions are made on a local level by local staff, Comcast is also aligning its operations and best practices across the country to achieve efficiencies of scale, share best practices, and create a consistent, high-quality customer experience across the country. The Regional Vice President is in charge of the daily operations of the North Suburban system. He reports to the President of the Division. The President of the Division reports into Comcast Cable Communications. The Region, Division, and Corporate offices provide guidance and support to the local operations.

2. *Identify the supervisory personnel who will be responsible for maintaining the system (subscriber network and institutional network) and describe their technical qualifications. State whether the Applicant will maintain the system (subscriber network and institutional network) itself or through a contractor/subcontractor. If the Applicant, in whole or in part, will maintain the system (subscriber network and institutional network), describe the minimum qualifications for each position involved in the maintenance of the system. If a contractor/subcontractor will maintain the system (subscriber network and institutional network), in whole or in part, name the contractor/subcontractor and describe its role and its qualifications.*

Comcast objects to this request on the grounds that it is overly burdensome, redundant, vague, and unnecessary to the evaluation of Comcast's technical qualifications to receive a franchise. Notwithstanding this objection, Comcast responds with an introduction of its core management team:

Jeff Freyer is the Regional Vice President for Comcast's Twin Cities Region. In this role, he oversees all aspects of Comcast's operations with more than 2,000 employees and more than 650,000 customers in 132 communities in the Twin Cities Region, which includes communities in Minnesota, Wisconsin, Kansas and Missouri. Jeff was previously the Vice President of Sales for the Northeast Division of Comcast, which encompasses 14 states and Washington, D.C., with 24,000 employees and serving more than 7.5 million customers. Jeff

joined Comcast in 2007 as Vice President, Comcast Business for the Western New England Region, and provided direction and oversight for the development of regional operations, marketing, sales and customer care functions. From 2010 to 2012, he served as Regional Vice President, Comcast Business for the Heartland Region (Michigan, Indiana, and Arkansas). Jeff has a Bachelor of Science degree in Statistics from the University of South Carolina with a minor in Psychology. He earned his Master of Science degree in Statistics from the University of Tennessee.

Caroline Aspenson serves as vice president of human resources for Comcast's Twin Cities Region. In her role, she leads the areas of staffing, benefits administration, compensation, diversity, employee relations and safety for employees throughout the region. Caroline has nearly 20 years in the human resources field, and 14 of those with Comcast. Before her current role she served as executive director of employee engagement. Preceding that Caroline served as human resources director for customer care in the region. Prior to joining Comcast, Caroline held several human resources positions with Rivertown Trading Company/Target in St. Paul. Caroline earned her BA degree in communications from the University of Iowa and earned a Senior Professional Human Resources certification. She is a 2008 Comcast Executive Leadership Forum graduate.

Kevin Bethke serves as vice president of finance for Comcast's Twin Cities Region. He leads the finance team with responsibility for business operations that includes operating and capital planning, budgeting, forecasting, and other financial operations. He also oversees field collections, real estate, and facilities for the region, along with overseeing warehouse responsibilities. Kevin's background includes more than 25 years in the cable industry, working for Comcast and its predecessors. Kevin earned a bachelor's degree in accounting from the University of Wyoming and is a Certified Public Accountant (CPA).

Emmett Coleman serves as vice president of government affairs for Comcast's Twin Cities Region. He leads the government affairs team as they work to ensure franchise compliance, and work with regulators, public officials, and third-party groups to strengthen relationships and educate them about Comcast. Emmett's background includes more than 20 years of political policy and legislative experience, and he currently serves on the Boards of the Minnesota and the Wisconsin Cable Commissions.

Mohammed Haroon serves as the director of program management office for Comcast's Twin Cities Region. He leads and provides oversight for

the introduction and implementation of advanced technology and strategic initiatives in the Twin Cities Region. Mohammed previously served as the senior manager of telephony operations and as the Time Warner Operation Integration Manager for the Twin Cities Region. He joined Comcast as senior IT project manager and also served as an interim call center manager. Mohammed earned a Bachelor of Business Administration degree and MBA from the University of Wisconsin-Eau Claire. He recently graduated from the NAMIC Executive Leadership Development Program, and recently served as the president of the NAMIC Minnesota Chapter.

Chris Lyons serves as vice president of business services for Comcast's Twin Cities Region. He leads all business development and sales strategy for Comcast's commercial services in the Twin Cities metropolitan area, as well as Comcast's operations in Independence, Missouri and Olathe, Kansas. Chris is a 20-year veteran of the business-to-business communications services industry. Before moving to the Twin Cities late last year, he helped lead significant improvements in capital management and sales performance as Director of Business Services in Comcast's Mid-South Region. Before joining Comcast, Chris was Director of Business Services for Charter Communications in Rochester, Minnesota, where he led the system to an impressive 20-percent increase in revenue in less than a year by transforming business processes and sales strategy across a two-state region.

Scott Melter serves as vice president of network engineering for Comcast's Twin Cities Region. He directs operations for the following areas: technical operations, maintenance, network monitoring, CommOps and the construction group as well as headend, hub and transport activities. Scott has been with Comcast and its predecessors since 1984 and has held several engineering leadership positions throughout his career. Scott serves on the board of directors for the North Country chapter of the Society of Cable Telecommunications Engineers (SCTE).

Mary Beth Schubert serves as vice president of corporate affairs for Comcast's Twin Cities Region, providing strategic leadership for media relations, internal communications and community relations. Before joining Comcast, Mary Beth served as a spokesperson for Northwest Airlines and for the Minnesota Attorney General as executive director of the Minnesota DARE program. Mary Beth earned a BA in journalism from the College of St. Thomas in St. Paul and her MA in business communication. She has served in many industry and community leadership positions, including Midwest Chair, Women in Cable and Telecommunications (WICT); Betsy Magness Leadership Institute; Governing Board Member, St. Paul Chamber Orchestra; Board Member and St. Paul Area Chamber of Commerce Political Action Committee.

Mary Beth serves on the Minnesota State Arts Board and is a graduate of the Comcast Women's Executive Leadership Program at Wharton.

Dave Williams serves as vice president and general manager of Comcast's Independence system in the Twin Cities Region. He oversees all day-to-day system operations, which currently serves 70,000 customers with more than 200 employees. Prior to his current role, Dave served as regional director of customer service, responsible for launching the Comcast Customer Guarantee throughout the Michigan Region. Previously, Dave served as senior director of customer service and also led Comcast customer service initiatives in Indianapolis, Ind. He earned an MBA and a BA from Boston University.

Scott Schoeder is the network manager for Comcast's technical support management team, which is based out of Mahtomedi, Minnesota. This team provides technical support to NSCC-area and other Twin Cities customers. Scott is responsible for the overall network-performance-maintenance teams in the Twin Cities. He is Comcast's Network Operations Manager responsible for 73 frontline Maintenance Technicians and 6 Network Maintenance Supervisors. Scott's staff performs preventive maintenance to track down and repair identified problematic areas (using monitoring tools) proactively. They also work maintenance referral calls that are referred over to Network Maintenance by Technical Operations Technicians.

Mike LeTourneau is the new Twin Cities Region Compliance Manager. He is responsible for developing, implementing, and managing all FCC policies, programs, and practices to ensure full compliance with all regulations and standards within the Public and Technical Inspection Files. LeTourneau began his career at Comcast in 1998, working as an installer. He progressed through the technical ranks over the following years and most recently worked as a hub technician (CT6) before moving into his new role. LeTourneau has extensive technical experience and completed many Comcast training courses over the years. He recently began to participate in leadership training classes provided by Comcast University.

3. *Describe the training for all categories of employees, contractors and subcontractors associated with the construction, operation or maintenance of the cable system (subscriber network and institutional network). The answer should describe: (a) what training is given, and what materials are used for the training; (b) whether the training is certified by an independent body, and if so, by whom; and (c) how the Applicant assures its contractors or subcontractors are well-trained. The Applicant should also provide a description of the jobs contractors and subcontractors are hired to perform, or are expected to perform during or as*

part of any construction/rebuild of the system (subscriber network and institutional network).

Comcast objects to this request on the grounds that it is overly burdensome, redundant, vague, and unnecessary to the evaluation of Comcast's technical qualifications to receive a franchise. Notwithstanding this objection, Comcast refers to information about training in its response to Question IV.G. Comcast also states that it has an Engineering Policy that sets forth guidelines that ensure that technical staff is knowledgeable and competent to perform required tasks. Comcast has a department within its corporate Human Resources department named Comcast University that develops and administers training courses, oversees required certification exams, and maintains a Learning Solution system to record and track all training that employees require and complete.

Specific information on certain training associated with the construction, operation and maintenance of the cable system is as follows:

[confidential or trade-secret information begins]

[confidential or trade-secret information ends]

4. *Please provide a copy of the Applicant's:*

a. EEO policy;

b. Policy with respect to hiring minority consultants and contractors;

c. Policy with respect to persons with disabilities; and

d. Privacy policies.

Comcast's EEO policy is attached as Exhibit 22. Its Reasonable-Accommodation Policy is attached as Exhibit 23. Its privacy policy is attached as Exhibit 21 and is available online.

Comcast is an equal-opportunity employer and committed to diversity in its governance, employment practices, purchasing decisions, programming, and community investments. Comcast complies with or exceeds all federal and state requirements in each of these categories. Comcast's policy is to provide equal-employment opportunities to all applicants and employees without regard to race, color, religion, creed, gender, gender identity or expression, age, national origin or ancestry, citizenship, disability, sexual orientation, marital status, pregnancy, veteran status, membership in the uniformed services, genetic information, or any other basis protected by applicable law. To the extent required by applicable law, Comcast also provides equal employment opportunities to individuals regardless of any perception that an individual has a protected characteristic or associates with a person who has or is perceived as having a protected characteristic.

Comcast prohibits discrimination against any individual on the basis of any actual or perceived protected characteristic. Consistent with this policy, Comcast is committed to making employment decisions based on merit, qualifications, and other job-related criteria without regard to an individual's protected characteristics. This policy of equal opportunity covers all aspects of the employment relationship, including the application and hiring process, corrective action, promotion and transfer, selection for training opportunities, compensation, termination, and the application of service, retirement, and employee-benefit-plan policies.

Subject to applicable law, Comcast also offers reasonable accommodations to qualified individuals with known disabilities to enable them to perform the essential functions of their positions. What constitutes a reasonable accommodation may depend on many factors including, but not limited to, the nature of the individual's disability and the essential functions of the position. Comcast is not obligated to provide an accommodation that would impose an undue hardship on the Company.

Comcast strictly prohibits any type of retaliation against an individual who in good faith raises a complaint or concern regarding discrimination or harassment, otherwise opposes discrimination or harassment, reports a violation of this policy, participates in an investigation under this policy, files a charge or complaint of discrimination or harassment with an appropriate government agency or court, participates in an investigation or proceeding related to discrimination or harassment conducted by an appropriate government agency or court, or otherwise engages in protected activity under the law. It is also a violation of this policy for any employee to knowingly raise or participate in a false concern or complaint that this policy has been violated or provide false or misleading information in the course of an investigation under this policy or in an investigation or proceeding conducted by a governmental agency or court.

Comcast also utilizes a Supplier Diversity Program designed to promote, increase, and improve the quality of the participation of small and diversity-owned businesses in Comcast's supply chain. Details are available at <http://corporate.comcast.com/our-values/diversity-inclusion/supplier-diversity#accordion-0>. Comcast believes that diversity in its supply base is integral to continued success. Comcast's goals are to provide equal access and opportunity to all suppliers, and to facilitate nondiscriminatory business relationships with diverse firms. Comcast wants to level the playing field. When Comcast continuously expands its supplier base, it fosters competition. This competition helps keep the costs of goods and services in line with

changing market conditions. Additionally, small and diverse businesses help create jobs for people within their regions, thus distributing wealth among members of different communities.

Comcast continues to be recognized as a top company for vendor diversity by numerous organizations, such as DiversityBusiness.com and the National Veteran-Owned Business Association. Since 2003, Comcast's metrics concerning vendor diversity within its Cable Division have improved significantly. While total vendor spending has decreased, Comcast has been able to successfully increase the amount spent with diversity-owned suppliers. The percentage of spending activity attributed to diverse suppliers has increased to 12.4% in 2010 from 7.4% in 2003, representing an increase of 67%.

Additionally, the amount of dollars Comcast spends with diverse vendors has grown by 101% in the same period. Comcast also encourages suppliers to report to it on their own supplier diversity efforts in what's referred to in the industry as Tier II Reporting. In 2010, Comcast joined 10 other large corporations to create the Inclusion Initiative. In the inaugural year of the effort, 11 companies pledged to spend \$30 million with minority- and women-owned law firms. The companies exceeded that goal, collectively spending over \$42 million with minority- and women-owned firms. The Inclusion Initiative works closely with the National Association of Minority and Women Owned Law Firms to identify best practices for major corporations seeking to maximize relationships with high quality minority- and women-owned law firms throughout the United States.

Comcast's privacy policies and practices are easily accessible on its website at: www.comcast.com/customerprivacy. Comcast holds its customers' privacy in the highest regard. It meets the very strict standards of the federal privacy laws that apply specifically to cable operators and voice-service providers, as well as those standards included in other federal and state laws, and meets the security requirements detailed in applicable laws and by industry groups. Comcast clearly tells its customers about its privacy policies and practices by sending them annual privacy notices.

Comcast continues to employ extensive protections for its customers against pretexting, hacking, and other attempts at identity theft, or unauthorized access to account information. It also continues to enforce strict standards for obtaining account information and calling records for its Comcast Digital Voice service. For example, in following federal standards Comcast eliminated the use of readily available biographical information in security questions to help prevent pretexters from posing as customers. Since Comcast's services are increasingly integrated, it has extended security protections from voice to websites, where many customers access calling records, voice mail

messages, and bills. Comcast also handles financial and credit-card information in accordance with payment and credit-card industry requirements, and periodically reviews and audits its practices to ensure that they continue to meet these high security standards. Comcast carefully trains all employees who have access to customer information to handle all requests from customers with sensitivity, care, and respect for customer privacy. Comcast has a security team that immediately investigates and responds to privacy and security issues, as well as ensures that proper privacy and security practices are implemented in the product design and deployment process.

X. Franchise Term

In the space below, the Applicant should: (1) state the franchise term it seeks in each Member City; and (2) describe why it believes the proposed franchise term for each Member City is appropriate, considering expected changes in cable technology and the type(s)/amount(s) of PEG access and I-Net support proposed. If the Applicant claims that the franchise term(s) it proposes is required for financial reasons, it should describe in detail those financial reasons, and provide any documentation required (including, for example, financial projections and depreciation schedules) to substantiate that claim. If the Applicant has already provided the documentation in Form III, it may reference that information.

Comcast proposes a franchise term of 10 years. The prior NSCC franchises have been in place since 1986, as extended and modified in 1998 and 2013. There is no reason why changes in cable technology would justify a shorter term. Comcast has demonstrated a history of performing upgrades as needed and delivering available cable services on the cable system in the City.

XI. Miscellaneous Information**A. Analysis and Studies of Demand for Cable and I-Net Services**

The Applicant should attach copies of any analysis, evaluation or study of demand for cable service (including PEG programming) in the Member Cities, any analysis, evaluation or study of demand for institutional network/managed network services in the Member Cities and any I-Net or managed network service proposals (draft or final) that have been prepared for one or more Member Cities; and any analysis, evaluation or study of demand for cable services (including PEG programming) and/or I-Net or managed network services elsewhere which the Applicant believes is relevant to evaluating whether its proposal is reasonable to meet the future cable-related needs and interests of the Member Cities and their respective communities, taking into account the cost of meeting those needs and interests.

Comcast understands this request to seek reports that Comcast requested for purposes of assessing needs, performance, and other issues related to renewal. Such reports are attached and are described in the table responding to Question E.2 below.

B. Surveys

- 1. The Applicant should attach a copy of any survey of residents, businesses or subscribers in one or more Member Cities conducted within the last three (3) years regarding cable services (including PEG programming), facilities or equipment; or regarding subscriber willingness to pay for any cable service, facility or equipment (including PEG access services, facilities or equipment). The Applicant should also attach any reports, analyses, studies or other documents regarding such a survey.*

Comcast refers to its response and exhibits identified below, which includes survey reports. Comcast objects to the extent this request seeks information that is unnecessary, overbroad, and proprietary.

- 2. The Applicant should attach a copy of any survey of residents, businesses or subscribers in one or more of the Member Cities conducted within the last three (3) years regarding a need or interest in voice, video or data services (other than programming services).*

Comcast refers to its response and exhibits identified below, which includes survey reports. Comcast objects to the extent this request seeks information that is unnecessary, overbroad, and proprietary.

3. *The Applicant should attach any and all reports and analyses prepared by Andrew C. Elson and/or E-Consulting concerning or containing data regarding the NSCC, the NSAC and the Member Cities; PEG programming, facilities, funding and equipment; and Institutional Network services, funding, facilities and equipment.*

Comcast includes with this application the following attached reports:

E-Consulting's Financial Report of NSCC/NSAC

Comcast asked E-Consulting to analyze payment and usage of Comcast's franchise fees and PEG grants to the NSCC and NSAC. In attached Exhibit 2, E-Consulting and its principal Andrew Elson found the following, among other things:

- The average cable customer in the NSCC member cities paid approximately \$50 per year in PEG support, or the equivalent of "two franchise fees" each month;
- The vast majority of the NSCC's expenditures go to consultant and attorney fees. Each year Comcast customers pay \$8 to \$10 towards the NSCC's legal and other professional fees.
- In 2012 the NSCC and NSAC were storing cash reserves over \$2.1million, or \$72 per customer.

Talmey-Drake's Ascertainment-Issues Report

Comcast asked Talmey-Drake Research & Strategy to conduct scientifically valid public opinion research in the NSCC area on issues relating to the community ascertainment. In the report attached as Exhibit 3, Talmey-Drake found the following, among other things:

- Almost 70% of subscribers said they were satisfied with Comcast's cable service. Comcast received high marks for channel selection and picture and sound quality.
- Interest and viewership of the 8 PEG channels was low. Just 1 of the 8 channels is watched at least once per week.
- Customers are satisfied with the picture quality of PEG channels, and there is low interest in HD and video-on-demand services for PEG programming.

- The majority of customers do not want to pay anything for PEG channels. Customers would prefer to use existing franchise fees or reserve funds to finance PEG improvements.
- Customers are more interested in online viewing for government meetings.
- Customers did not want to pay for costs of an I-Net for the NSCC governments.
- Customers were, above all else, interested in lower rates for their cable service.

Talmey-Drake's Review of The Buske Group's Ascertainment Survey and Focus-Group Research

Comcast also asked Talmey-Drake to review The Buske Group's ascertainment research. As explained in the report attached as Exhibit 4, Talmey-Drake found that Buske's telephone survey was not valid because of significant sampling and other survey errors, including:

- The samples appear skewed in many respects: the telephone survey's results greatly differ from known population values. The sample omits cell-phone-only households that are more likely to disagree with the Buske Group's desired findings. The Buske Group also did nothing to ensure adequate representation among the 10 member cities.
- The interviewer causes predictable sponsorship bias by announcing his or her identity at the outset of the interview. Also several questions are designed in a way that would produce results that are misleading, uninterpretable, or subject to misinterpretation.
- The above problems cause any attempt to meaningfully analyze the results to be "a fool's errand." In any event, The Buske Group's presentation and conclusions from the results are misleading.

Talmey-Drake found the "focus group" to have no value in ascertaining the general community's interest:

- The report cannot be used to assign attitudes to the general population of the NSCC member cities.
- Buske's explanations at the beginning of the sessions cause "serious concerns" that participants were influenced to provide certain answers.
- The population for the online survey appears skewed towards those producing or appearing on PEG programming. Nowhere is there an indication that a random sample was attempted. Thus the online survey cannot be ascribed to the general population under any statistical basis.

QSI Consulting's Report on Valuation of I-Net

Comcast asked QSI Consulting and its principal Michael Starkey to value the facilities and services provided by Comcast to the NSCC as part of the I-Net required under the RFRP. QSI concluded, as explained and supported in the report attached as Exhibit 5, that the market value of the I-Net is slightly more than \$7.4 million over the life of a 10-year franchise.

Dr. Amy Sanders' Review of NSCC Staff PEG Demands and Usage

Comcast asked Dr. Amy Sanders, Professor in the University of Minnesota's Mass Communications and Journalism Department, to review and report on how individuals currently consume and distribute local news, information, and viewpoints; to assess the NSCC's PEG demands in light of those trends; and to assess the NSAC's current usage of 8 PEG channels in light of those trends and also relevant broadcasting standards and viewership habits. Professor Sanders, in the report attached as Exhibit 6, reports and concludes that:

- There are a wide variety of forums in which people today effectively share and receive information within their communities. Blogs, YouTube, local newspapers, local broadcast stations, and websites offer vast opportunities to share views and information, and provide video programming of local events and shows when people want to receive it.
- These trends, and new technologies, have caused PEG programming to play a much more limited role than in the late 1990s, justifying the taking of fewer channels by local governments for exclusive PEG usage.
- Viewership and interest in channels are reduced when channels do not offer fresh, original content. PEG programming can be enhanced by reducing from 8 channels to Comcast's proposal of 4 higher-quality, more-substantive PEG channels.

C. Impact of Granting Franchises

1. *The Applicant should describe the impact on the public rights-of-way of upgrading, maintaining and operating its proposed system (subscriber network and institutional network).*

This request for information is not applicable to Comcast because the cable system proposed has already been built and no major upgrade is currently planned. Day-to-day operations of the cable system will be in compliance with applicable right-of-way regulations.

2. *The Applicant should describe the impact on the public interest of extending or rebuilding/upgrading its cable system (subscriber network and institutional network) in the Member Cities. The Applicant should provide as much factual information concerning the physical and economic capacity of the existing rights-of-way in the Member Cities as is available to it.*

Again, this request for information is not applicable because the cable system proposed has already been built and no major upgrade is currently planned.

3. *If not already provided, please furnish a description of the proposed system (subscriber network and institutional network) as completely constructed and upgraded, including an estimate of above-ground and below-ground plant mileage, and its location, and information on the availability of space on poles, rights-of-way easements, ducts and conduits, including where appropriate, an estimate of the cost of any rearrangement of facilities (those of Applicant or of others) necessary to accommodate the upgrade, maintenance and operation of the system (subscriber network and institutional network).*

Again, this request for information is not applicable because the cable system proposed has already been built and no major upgrade is currently planned.

D. Compliance

Has the Applicant been informed that it is out of compliance with any provision of an existing franchise with a Member City?

Comcast has not received any formal notice that it is currently out of compliance with any provision of the existing franchises. To the extent that the NSCC is contemplating providing such notice, Comcast will investigate and respond appropriately.

If the answer is "yes," please describe each franchise violation and indicate whether the Applicant will take steps to bring itself into compliance.

This question is not applicable.

If the Applicant will take steps to bring itself into compliance, please describe those steps in detail for each franchise violation.

This question is not applicable.

If the answer is "no," please explain in detail why Applicant believes its request for renewal should not be denied, based upon past performance, and provide supporting documentation.

This question is not applicable.

E. Renewal Procedures and Additional Information

Please answer the following questions:

1. *Is the Applicant seeking franchise renewal pursuant to the provisions of 47 U.S.C. § 546(a)?*

Yes.

2. *If the answer to the foregoing is "yes" and the NSCC and/or the Member Cities should decide preliminarily to deny the renewal, does the Applicant desire the NSCC to commence administrative proceedings under 47 U.S.C. § 546(c)(1)?*

Yes.

Please attach any additional information necessary to respond to the RFRP.

See next page for a list of exhibits.

EXHIBIT LIST

Exhibit	Description
1	Comcast's Proposed Franchise Agreement and Attachment
2	E-Consulting's PEG Fee Analysis of the NSCC and NSAC
3	Talmey-Drake's NSCC Franchise Area Ascertainment Issues Report
4	Talmey-Drake's Review and Comment on Ascertainment Survey and Focus-Group Research by the Buske Group
5	QSI Consulting's Valuation of Dark-Fiber Pricing and I-Net Report [Confidential or Trade Secret Information]
6	Dr. Amy Sanders' Analysis of Trends in Local Media and Information Exchange, PEG Programming and Usage, and NSCC Request for Renewal Proposal
7	Comcast of Minnesota List of Officers and Directors; Comcast Cable Communications LLC List of Officers; Comcast Corporation List of Officers and Directors
8	Comcast of Minnesota Corporate Organizational Chart
9	Roseville Joint Powers Summary
10	Metro I-Net Diagram
11	Metro I-Net Presentation September 2012
12	Preliminary Summary of NSCC Programming Data
13	2010-2013 Twin Cities Region Income Statements and Balance Sheet [Confidential or Trade Secret Information]
14	Homes Passed [Confidential or Trade Secret Information]
15	2010, 2011, and 2012 Franchise Payments [Confidential or Trade Secret Information]
16	2010-2013 NSCC-Area Subscriber Data [Confidential or Trade Secret Information]
17	CommTech Job Descriptions [Confidential or Trade Secret Information]
18	Network CommTech Job Descriptions [Confidential or Trade Secret Information]
19	HD Channel Lineup
20	Set-Top Unit Descriptions [Confidential or Trade Secret Information]
21	Customer Privacy Policy
22	EEO Policy
23	Reasonable-Accommodation Policy
24	Rate Cards 2001-2013
25	Comcast Procedures and Policies Monitoring Tools [Confidential or Trade Secret Information]
26	Digital Proof of Performance [Confidential or Trade Secret Information]