

EXECUTIVE SUMMARY

COMMUNITY NEEDS ASCERTAINMENT

NORTH SUBURBAN COMMUNICATIONS COMMISSION
(Arden Hills, Falcon Heights, Lauderdale, Little Canada,
Mounds View, New Brighton, North Oaks, Roseville,
St. Anthony and Shoreview, Minnesota)

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I. INTRODUCTION

The Buske Group was retained by the North Suburban Communications Commission (NSCC) -- a 10-city municipal joint powers consortium consisting of the Cities of Arden Hills, Falcon Heights, Lauderdale, Little Canada, Mounds View, New Brighton, North Oaks, Roseville, St. Anthony, and Shoreview, Minnesota -- to conduct an ascertainment of community cable-related needs and interests, for use during the franchise renewal process. The Buske Group was authorized to conduct research in order to identify current and future community cable-related needs and interests, and to make recommendations to the NSCC and its member cities.

Comcast currently operates an integrated cable system in the NSCC franchise area under individual franchises that expire in 2013, and reportedly serves about 30,000 subscribers in this 10-city franchise area.

As a matter of federal law, the cable-related needs and interests of residents and the community in general are protected in part through the franchise renewal process. As part of the franchise renewal process, the NSCC, on behalf of its member cities, is responsible for identifying cable-related needs and interests, and translating those interests into franchise requirements. During renewal proceedings, the NSCC may, by way of example but not limitation, identify basic requirements for cable system capacity, functionality, and customer service, and require cable operators to provide -- among other things -- facilities and equipment and channels for Public, Educational, and Government (PEG) Access. As stated in the legislative history to the Cable Communications Policy Act of 1984, as amended:

The ability of a local government entity to require particular cable facilities (and to enforce requirements in the Franchise to provide those facilities) is essential if cable systems are to be tailored to the needs of each community [and the legislation] explicitly grants this power to the franchising authority.

It is wise to use a variety of informational-gathering tools when conducting a needs assessment in any subject area. However, it is critical to use a variety of tools when dealing with an arena driven by rapidly changing technology, such as cable communications.

The Buske Group gathered information using a number of established and widely accepted research methods, including: (1) five community focus group sessions, featuring a group brainstorming portion and the completion of standardized questionnaires by the participants; (2) an on-line survey; (3) a statistically valid telephone survey of Comcast cable subscribers in the 10 member cities; (4) a review of PEG Access activities; (5) meetings with PEG Access staff; (6) an on-site examination of the PEG Access facilities and equipment, including eight of the 10 member cities' council chambers production equipment packages; and (7) face-to-face interviews with I-Net and PEG access users during nine (9) on-site meetings.

The major findings and primary recommendations that arose from the research and analysis activities conducted by The Buske Group are provided in the following sections of this Executive Summary. A more detailed presentation of the analysis and recommendations is contained in the full text of the Community Needs Ascertainment report.

II. SUMMARY OF MAJOR FINDINGS

The primary findings from the 155 responses to a questionnaire by focus group participants or on-line survey respondents are as follows. See Section III of this Executive Summary for recommendations resulting from these findings.

- Over half of these respondents subscribe to the Comcast cable TV service, and of this group, *45% pay extra to receive HD channels, 41% subscribe to Comcast's internet and telephone service, and 32.1% subscribe to Comcast's internet service (but not telephone service).*
- When Comcast subscribers were asked to indicate which one source they used most often to find information about programming on their cable TV channels, the most frequently indicated source was *Comcast's on-screen program guide*, which was indicated more than three times as often as the next most popular source.
- A majority of the respondents to the questionnaire answered either "Very Good" or "Good" when asked to indicate their level of satisfaction with the *quality of the picture and sound* from Comcast and the *reliability of the Comcast cable TV service*. However, few of these Comcast subscribers answered positively when asked about the *fairness of the rates for basic and premium cable TV services*.
- When the Comcast subscriber-respondents were asked to indicate their "overall" level of satisfaction with Comcast, *over half of them indicated that they were "Very Satisfied" or "Somewhat Satisfied"*.
- Survey respondents who do not subscribe to the Comcast cable TV service most frequently indicated that they didn't subscribe because *"Cable TV service is too expensive", "I receive enough programming on over-the-air broadcast stations" or "I'm not interested – I don't watch TV enough to make it worthwhile"*.
- Three-fourths of all Comcast subscriber-respondents indicated that they had watched a CTV North Suburbs ("CTV") channel. Of these respondents, very high percentages said they agreed or strongly agreed that *CTV provides a valuable public service, provides programming that deals with local issues, and provides programming that publicizes local services*.
- About 80% of all survey respondents know that community organizations can have programs about the services and activities appear on a CTV channel and that they can learn how to make programs to show on a CTV channel .

- Over half of the survey respondents who had watched a CTV channel indicated that the picture and sound quality was either a “little lower or “much lower quality” as compared to the other channels of the Comcast cable TV service.
- Positive/neutral comments about CTV outnumbered negative comments by about five to one.
- More than 85% of all survey respondents indicated that it was either “Very Important” or “Important” to have local cable TV channels that feature programs about local residents, organizations, schools, government, events and issues.
- When all of the survey respondents were asked to indicate their level of interest in seeing certain types of programs, the leading responses were “*local news and information*”; “*governmental/public entity meetings, etc.*”; “*live concerts and other performances*”; “*programs about local history, arts and artists*”; and “*community festivals, neighborhood events*”.

During the brainstorming portion of the focus group sessions, participants identified the following community needs, interests, and concerns:

- Concerns in the following seven areas were most often mentioned when focus group participants were asked to identify the key issues facing them, their neighbors, community organizations, local government, and schools in the next five years:
 - * *Economic Development / Jobs / Cost of Living / Poverty / Housing* (e.g., availability of housing; budget cuts and resources; football stadium; impact of homes going into foreclosure; job training and adult education; lower income population; poverty; redevelopment and infill development; tax increases)
 - * *Diversity/Demographics/Immigration/Age and Race-Related Concerns* (e.g., aging population; changing demographics; diversity of language and culture; growing/diverse school enrollment; serving multi-culture residence immigrants)
 - * *Technology, Telecommunications and Media* (e.g., changing delivery of electronic media; declining use of print media; gap in access to technology; keeping current cable system and I-Net in place; lack of computers in homes)
 - * *Arts and Education-Related Concerns* (e.g., ability to share cultural richness; increased use of long distance learning; lack of cultural events; need for stronger education and adult education; schools cuts for arts)

- * *Communication Problems, Networking, Funding* (e.g., lack of civic engagement; difficulty in getting community engaged in issues; lack of volunteerism; people with very busy schedules; polarization among community groups)
- * *Infrastructure/Transportation* (e.g., aging infrastructure; cost of roads and streets; lack of public and adaptive transportation)
- * *Government-Related Concerns* (e.g., the need for cooperation and consolidation between local governments; increasing dysfunction in state and local government)
- When asked what makes it difficult for organizations, local government departments, or schools to effectively communicate information to their constituencies and residents of the NSCC member cities, the leading areas identified were:
 - * *Lack of time, resources, communication skills, collaboration*
 - * *Audience issues, apathy, information overload, other interests, etc.*
 - * *Inadequate communications media and methods*
 - * *PEG Access-related issues*
 - * *Language, cultural and other barriers*
- When asked how their organizations or agencies could use cable or PEG Access channels and a community media center to inform, entertain, and educate area residents, over 100 suggestions of program content and technology applications were identified.
- When asked what would make it easier for their organization to use cable or PEG Access channels and a community media center to communicate, the primary categories of need included:
 - * *Cable Company's Infrastructure, Equipment and System Design, Policies, etc.* (e.g., cable more accessible to low income population; easier remote origination; PEG channels with technical quality of broadcast channels [SAP, closed captioning, HD]; regional interconnection of PEG channels; VOD for PEG Access)
 - * *PEG Access Programming, Distribution, Bandwidth, Channels* (e.g., bandwidth for future services [3D, HD]; NSCC franchise area government channel; CTV apps for mobile devices; live video streaming; sharing program content across the state)
 - * *PEG Access Staff, Assistance, Policies, Services, Collaboration* (e.g., build partnerships between organizations to create programming; cost effective technical assistance; more staff to create content; studio and edit suite schedules online)

- * *PEG Access Promotion and Outreach* (e.g., better promotion of CTV programming; CTV programs on Comcast's interactive program guide; more effective marketing of CTV channels and services)
- * *PEG Access Facilities and Equipment* (e.g., laptop editing systems for checkout; standardization of equipment; updated equipment / upgrade plan)
- * *PEG Access Training* (e.g., media literacy training; online training videos)
- * *PEG Access Funding* (e.g., budget for equipment maintenance and upgrade; more funds for budget)

The primary findings of the telephone survey of Comcast subscribers are as follows. See Section III of this Executive Summary for recommendations resulting from these findings.

- In general, the telephone survey respondents indicated that they are satisfied with the Comcast cable TV service.
- Almost 90% of the telephone survey respondents rated *the reliability of Comcast's cable TV service* and *the quality of the picture and sound* as "good" or "very good." The item that received the lowest rating was "*the fairness of the rates charged by Comcast for cable TV service*", which was rated as "good" or "very good" by only 14.3% of the respondents.
- Nearly half of Comcast subscribers are "triple play" subscribers which subscribe to both telephone and Internet service, in addition to cable TV service.
- Nearly half of the telephone survey respondents said they most often use Comcast's *on-screen guide* to find programming information, far more than any other method.
- About half of the telephone survey respondents said they have watched a CTV channel (most frequently watched are channels 14, 15 and 16).
- A very large majority of all telephone survey respondents said it is either "important" or "very important" to have local cable TV channels that *feature programs about area residents, organizations, schools, government, events and issues*.
- When all telephone survey respondents were asked how interested they would be in watching each of 10 different categories of programming, they indicated that they are most interested in *local news & information programs*, followed by *live concert programs* and *programs about local history, arts and artists*.

The primary findings regarding PEG Access services, facilities, and equipment are as follows. See Section III of this Executive Summary for recommendations resulting from these findings.

- CTV North Suburbs (CTV) is a nonprofit organization established to manage and develop PEG Access activities and programming on the Comcast cable system. CTV and its producers have received over 40 national awards for its programs. CTV has 15 full-time staff (plus four part-time staff, as-needed contractors, and several interns) that handle a variety of management, outreach, training, production, programming, and promotional activities.
- About 90% of CTV's annual funding is provided by Comcast, in accordance with its franchise obligations. CTV's other reported revenue sources more than doubled between 2008 and 2010.
- An average of 117 hours per month of first-run locally-produced programming has been presented on CTV channels 14 and 15 during the past three years.
- During the past three years, CTV reports that a total of 638 multiple-camera remote field productions were created by their volunteers.
- Usage levels of the CTV equipment packages during the past three years were very high.
- Many items in the CTV equipment inventory are over 10 years old.
- The equipment packages for the Council Chambers of the 10 member cities have a wide range of quality and sophistication. Many equipment items in these packages are also more than 10 years old.
- CTV and the Cities will need to upgrade much of its field production, editing, studio, master control, and Council Chambers equipment. CTV's equipment should be able to record and transmit programs in both standard and high definition formats.

The primary findings from meetings with representatives of interest groups, institutions, and organizations regarding I-Net/PEG Access resources are as follows. See Section III of this Executive Summary for recommendations resulting from these findings.

- Demographics of the 10 city NSCC area are changing, becoming more ethnically diverse, and a growing lower income population
- Cities and CTV need to evolve services to address new needs of area residents
- Comcast needs to improve cable modem service and address a number of other concerns relating to modems
- Comcast needs to improve the PEG Access signal quality.
- Comcast should retain existing PEG channels, PEG funding, PEG Universal service tier, and I-Net.
- Comcast should include program information for the PEG access channels on the Interactive Program Guide, and make PEG content available in high definition and video-on-demand.
- CTV needs to evolve to an updated operational model.
- Services not currently provided by CTV that are desired include better promotion of PEG channels, services, and content; expanded and more specialized training; social media training; expanded collaboration with and services to nonprofits and government departments; and public service announcements (PSA) production support.

III. PRIMARY RECOMMENDATIONS REGARDING CURRENT AND FUTURE COMMUNITY CABLE-RELATED NEEDS AND INTERESTS

A. CABLE PLANT AND HEADEND

1. *Any cable system serving the NSCC franchise area should include features typically found in state-of-the-art systems. The Franchise should include reasonable standards for upgrades during the Franchise term, as technological changes occur.*

2. *There is a need for and interest in ensuring that the signal quality and functionality of PEG Access channels is equivalent to the highest quality channel offered on the cable system, both now and throughout the Franchise term.*

3. *There is a need for and interest in having the ability to easily transmit “live” programming from locations throughout the NSCC franchise area.*

4. *In addition to maintaining a minimum of the current allocation of bandwidth for the PEG Access channels and programming in the NSCC franchise area, there is a need for and interest in ensuring that Comcast provides sufficient capacity and other accommodations to enable: (a) the transmission of closed captions for PEG Access programs that are delivered with such content; (b) the delivery of PEG Access channels to cable subscribers in the same formats that are used by the highest quality commercial channel carried on the system, including high definition; and (c) on-demand viewing of PEG Access programming [including selected PEG Access programs to be available in high definition to cable subscribers via the on-demand service].*

5. *Comcast should continue to provide the physical plant, spectrum and any necessary equipment at the headend and node locations set aside as an Institutional Network (I-Net), as required by and described in the current franchise, to permit video, voice, and data to be originated and received at designated I-Net sites on a point-to-point and point-to-multi-point basis. Additionally, the I-Net should be expanded to include additional points throughout the NSCC franchise area, to facilitate the ability of CTV to originate live programming from the community.*

6. *There is a need for and interest in ensuring that Comcast includes full program listings for PEG Access programs on their electronic and print program guides.*

B. SUBSCRIBER SERVICES AND CUSTOMER SATISFACTION

1. *There is a need for and interest in requiring Comcast to meet or exceed the FCC's customer service obligations. Comcast should be required to prove that it is in compliance, and should take immediate steps to bring itself into compliance if it is not. Special attention should be given to the ability to quickly contact a Comcast customer service representative, the ease of getting problems repaired or resolved by Comcast, and the ease of getting services installed or changed by Comcast.*

2. *Adequate PEG Access bandwidth should be made available on the subscriber network (with such channels grouped together on the lowest cost tier of services). Additional bandwidth/capacity should be available to enable on-demand and high definition capability for PEG Access programming, and for future PEG Access purposes. All PEG Access bandwidth/capacity should be provided free of charge.*

C. PEG ACCESS

1. *Based upon input received during the needs assessment process and the experience with PEG Access in other communities, there is a need for and interest in continuing, enhancing and expanding PEG Access services in the NSCC franchise area.*

2. *Any new Franchise Agreement should include provisions to:*

a. *maintain the current allocation of bandwidth to deliver all PEG Access channels that are now provided to Comcast cable subscribers in the NSCC franchise area;*

b. *ensure that Comcast has sufficient bandwidth/capacity available for future PEG Access purposes, to be activated in accordance with a pre-determined programming-based formula, when programming amounts strain existing PEG Access bandwidth/capacity;*

c. *ensure that all PEG access channels are located on the lowest cost tier of service and in a consecutive or near consecutive group of channels throughout the term of the new Franchise;*

d. *ensure that each PEG Access programming service is given the same channel location on the system of any Franchisee serving the NSCC franchise area;*

e. *ensure that the free PEG Access Universal tier continues to be available in the NSCC franchise area;*

f. ensure that PEG Access channel locations may only be changed if Comcast must do so due to comply with FCC requirements or for technical reasons, with the approval of the NSCC, and with all costs related to re-branding and marketing of channel relocations to be paid by Comcast;

g. ensure that PEG Access channels have the same functionality and capacity as the highest quality over-the-air broadcast channels delivered by Comcast on its cable system (including the ability to transmit signals in any format, to transmit video and audio signals only, or to transmit other information – e.g., secondary audio, text, digital information, high definition signals, and other audio signals);

h. ensure that Comcast provides sufficient storage space, encoding, and other accommodations to enable on demand viewing of selected CTV programs; and

i. ensure that Comcast continues to provide all PEG Access bandwidth/capacity free of charge to the NSCC, CTV, and PEG Access community producers;

3. Based upon the current condition and shortcomings of the CTV and cities' facilities and equipment, any new Franchise Agreement should include provisions to ensure that Comcast provides grant funding to replace and upgrade the existing CTV and cities' equipment packages, and provide periodic replacement capital equipment grants.

4. To help meet the expressed community cable-related needs and interests, and to help meet the expressed community cable-related needs and interests, any new Franchise Agreement adopted by the NSCC should include provisions to ensure that initial and ongoing PEG Access support grants are provided by Comcast.,

5. To help promote the CTV channels, programming and services to area residents and cable subscribers more effectively, the Franchise Agreement adopted by the NSCC should include provisions to ensure that Comcast provides the following:

a. courtesy promotion of the CTV channels -- including full program listings for PEG Access programs -- in all print and electronic program guides for their subscribers;

b. free insertion of promotional spots for the CTV channels and programs on the cable satellite services that make times available for local advertising insertions.