TO: **Fairfax Town Council**

FROM: **Mayor Larry Bragman**

DATE: **April 6, 2011**

SUBJ: **Fairfax Town Council Support of Marin Telecommunications Agency Plans to Convert Existing Comcast Franchise to State (DIVCA) Franchise**

At its last meeting in March, the Marin Telecommunications Agency ("MTA") preliminarily voted to move forward with a change in our current Franchise Agreement with Comcast. The MTA Board of Directors believes that it is in the best long term interests of our franchise to convert MTA's 2006 Franchise Agreement with Comcast to the standard franchise terms and conditions set forth under Public Utility Code Section 5800 et. seq., the Digital Infrastructure and Video Competition Act of 2006. (Hereinafter "DIVCA")

In considering the current proposal to convert the existing franchise to DIVCA, it is important to understand that the existing franchise will convert to the DIVCA by operation of law once the current franchise expires. In essence, what the current proposal does is accelerate the conversion in order to take advantage of increased funding for transmission of public access, educational and government (PEG) programming.

Under the current 2006 Franchise Agreement, the MTA received $2.5 million dollars to fund a community media center to provide PEG programming here in Marin County. In accordance with the terms and conditions of the franchise agreement, the MTA created an independent non-profit entity to act as the designated access provider (DAP) for local PEG broadcasting. In due course, the Community Media Center of Marin (CMCM) was created to fulfill the obligations as the DAP.

CMCM has been an overwhelming success in the first year of its operations. It has exceeded expectations in the number and quality of productions that it has created and has firmly established itself as a very vibrant organization. It is currently operating channels 26 (Public Access), 27 (Government) and 30 (Education). Educational programming features courses from the University of California and Yale University.

The Government channel is televising an increasing array of governmental meetings ranging from the Marin County Board of Supervisors, Marin Energy Authority and various local agencies. Televising these meetings increases public access and understanding to governmental decision making and further assures transparency of operations. In addition, CMCM is a training ground for the community in very valuable digital production skills.

The conversion to a DIVCA franchise will entail the imposition of a 1% fee which will be dedicated to Public Access, Education and Government ("PEG") programming. This fee which will amount to less than one dollar per month for most subscribers will ensure the reliable funding stream needed to ensure that CMCM continues to thrive and expand. The funds generated by the DIVCA franchise will continue to be allocated by the MTA's Board of Directors. In addition to funding the CMCM, the DIVCA franchise will provide funds to potentially equip more agencies with state of the art facilities to digitally broadcast meetings, including Fairfax.

Under DIVCA, Fairfax and other member jurisdictions will continue to receive the 5% franchise fee that they receive under the existing franchise. MTA has done an audit of the expected

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revenues generated by DIVCA and there will probably be a slight increase in the amount of franchise fees collected.

The Fairfax Town Council has previously heard and discussed this proposal and arrived at a consensus in support of the change. I will continue to support this decision unless directed otherwise by the Town Council. The MTA staff report may be found at:

http://mta.marin.org/BrdRpts/1703_G_AgendaItem&_Attachs-MTA_3-9-11Mtg-Franchise-DIVCA_finalbt.pdf

Respectfully submitted,

Larry Bragman

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DATE:	Wednesday, March 9, 2011
TO:	MTA Board
FROM:	Barbara Thornton, Executive Officer
SUBJECT:	Agenda Item G: DIVCA – Local Franchise – Receive Report, Discuss and Provide Direction to Staff.

Recommendation:
Receive this DIVCA report, discuss it and provide direction to staff.
It is recommended that the MTA board determine if there is a consensus to move forward with converting to DIVCA at this time, and if so to identify any caveats, such as allowing MTA Board members to discuss the DIVCA conversion with to their Councils/BOS prior to a final board vote. In addition, the Board may want to condition the timing of its approval to move forward upon obtaining further information regarding the PEG fee recovery item discussed in the recent meeting with Comcast. The Board should identify any further caveats if recommending approval to move forward to DIVCA at this time.

Background:
The MTA is in the process of deciding whether to remain under its current local MTA - Comcast Franchise Agreement through 2016 or to revert to a DIVCA Comcast Statewide Franchise now.

The MTA-Comcast Franchise Agreement ("Agreement") was executed in 2006 under Federal law. The Agreement has a 10 year term expiring in June 2016, at which time the franchise would automatically convert to a State Franchise under the State's 2006 cable franchising law (Digital Infrastructure and Video Competition Act ("DIVCA"). The Agreement and associated side letters obligated Comcast to provide $3.6M up front (recouped on the back end via subscriber charges) for two initiatives: $.6M for implementing the MIDAS network throughout Marin (INET); $2.5M in Capital payments for PEG Access, and $.5M as an unrestricted grant for transition of PEG facilities, operations and services.

DIVCA changes the manner in which video services are franchised within California by replacing locally negotiated franchises with statewide franchises acquired by video service providers via application to the California Public Utilities Commission (CPUC). Among other requirements, DIVCA provides that a Statewide franchise holder in Marin is required to provide at least three PEG channels. In addition, DIVCA provides that a local entity such as the MTA may by ordinance establish a separate fee to support PEG channel facilities consistent with federal law in an amount not to exceed 1% of gross revenues. MTA approved such an ordinance in January 2007. All PEG fees are paid to the MTA by the video service provider and the MTA manages the funds as appropriate. These funds may be used or allocated by MTA as authorized under federal law. Possible uses include providing for PEG access and video services through the CMCM and extending video services to government and other locations within Marin.

The current MTA – Comcast Franchise Agreement provides that the MTA may designate one or more entities ("Dedicated Access Providers" or "DAP") including itself, to control and manage the use of all Access facilities, equipment, channels and/or resources. In 2008 through a Board of Conveners representing the community along with the assistance of a consultant, The Buske Group, the Community Media Center of Marin was established as a non profit 501(c)3 organization. This nonprofit entity entered into a Dedicated Access Provider Agreement (DAP) with the MTA in June 2008 in order that the CMCM would provide PEG access programming and services pursuant to the terms of the Agreement including operating public, educational and governmental access channel(s), and establishing and operating a community media center in Marin. This DAP Agreement provided that the MTA would provide the CMCM the upfront PEG access funding it received from Comcast including $2.5M in capital funds, and the unrestricted grant of $.5M for operations and transition purposes. In addition the Agreement provided that the interest MTA accrued on the funds received from Comcast until they were paid to the CMCM would be paid to the CMCM, and the AT&T PEG Fees would also be paid to the CMCM as they were received. These additional funds paid to the CMCM to date are over $260K in interest and approximately $25K from AT&T PEG fees. This Agreement also provided that the CMCM may receive supplemental funds from other sources including but not limited to funding raising activities, and that it would use its best efforts to obtain funding from other sources including but not limited to grants, sponsorships and fee for services, etc.

CMCM Operating Needs

The CMCM has been using the upfront grant money received from the MTA judiciously since its inception, particularly the operating revenues and fund. In January 2011 the CMCM submitted a revised 2010-11 Budget and its 2011-12 Budget. In these documents the CMCM identified its need for additional funding as it is nearing the end of the initial operational funds it projected would last approximately 3 years. The CMCM suggested that the MTA consider converting to DIVCA now in order to facilitate the availability of additional funding for CMCM and PEG access. Despite it being anticipated that CMCM would also contribute to its operating funds through grants, sponsorships and fundraising, those efforts have had difficulty under the current macro-economic conditions.

From the outset, CMCM has been highly successful in relation to its mission to provide residents the training and access to equipment for the purpose of generating locally produced programming for the Public/ Community Channel 26. Government and Educational services have, however, not flourished, partly due to allocation of resources. Additional funding resources would facilitate expansion of the Government and Educational channels as well as facilitate the CMCM ongoing operations and services.

The CMCM projected its initial operating grants and expenses to last for approximately 3 years depending upon the level of interest income earned, and revenues generated by fees for services, grants, fundraising, etc. Thus, the CMCM is projecting that without an influx of new funding the Center may run out of operating funds by the end of 2012.

Any DIVCA PEG fees allocated to the CMCM by the MTA could provide the Center with an ongoing base for PEG and could generate additional operating revenue from earned interest. Such an allocation has symbolism too: potential donors and grantors appreciate an ongoing commitment from the community itself, thus making it easier for the CMCM to raise additional funding through multi-year grants.

The Revised 2010-2011 and the projected 2011-2012 CMCM budget was presented by the CMCM at MTA's January, 2011 meeting and is attached again for reference (Attachment G1). It shows projections with DIVCA income and related financial impacts. CMCM currently projects its 2010-2011 operating revenues to be $138k against operating expenses of $308K. For 2011-2012 projections are $220K operating revenue with DIVCA, or $133K without DIVCA, against operating expenses of $313K in both cases. In 2011-2012 the decreased operating revenues in the with DIVCA budget are associated with reduced interest income (-$42K), reduced other income/grants (-$25K) and reduced municipal meeting contracts ($-$20K).

Comparison of Current Local Comcast Agreement and DIVCA

The MTA Finance & Policy Committee met in January to discuss, among other things, the impact of moving to DIVCA versus staying with the current local Franchise Agreement and to discuss recommendations to be brought to the full MTA Board. The information which follows is a summary of that discussion and has been updated with more current information. Some previously identified issues have been found to either not change, or to only negligibly change with DIVCA and are therefore no longer listed below. What is identified in this section are remaining items for consideration by the Board when considering an early transition to DIVCA.

Benefits of Transitioning to DIVCA Now

- Financial:
  - Franchise fee revenues remain stable - per Buske Report (potential $16K upside)
  - 1% PEG fee under DIVCA provides incremental $3M over 5 years (~$600K/year between now and 2016, when the local franchise automatically expires)
    - Additional funding aids PEG Access stability prior to 2016, when local franchise expires.
    - Additional funding can provide incremental funds for E & G channels and other PEG/video related needs.
    - Through improved and increased government and educational programming, CMCM's visibility would be improved, providing funding opportunities for grants and contributions.
    - PEG Fees could provide funds to be used to extend services beyond the CMCM – perhaps taking on some of the burden of equipping government and educational facilities. This is something the MTA BOD would need to decide.
      - Distributed locations provides for increased public transparency and access to public meetings for local governments, agencies and other local groups.
- Cities could potentially benefit from new local revenue streams and improved community and safety/disaster services afforded by video capabilities being available in their council chambers.

- Control the transition - If the MTA initiates an early move to DIVCA it may have better control of the transition.
- Interest income - Cash balances provide interest income that can be available and/or allocated for CMCM operations - the MTA was able to grant the CMCM over $250K in earned interest on the upfront Comcast PEG payments, prior to transferring the upfront funds to the CMCM. The CMCM currently earns income on their cash balances and these funds are reflected in the CMCM's operating revenues budgets.

Burdens or Potential Burdens of Transitioning to DIVCA Now

- Increased cost to customers – current Comcast PEG fee pass-through is $0.49/month/customer. DIVCA provides for PEG fees of 1% of the customer's CATV bill. A customer with a CATV bill of $70, for example, will see a $0.70/month charge which may or may not be incremental to the current monthly $0.49/month PEG Fee charged to Comcast customers. Details of this are yet to be determined.
- PEG channels - Under DIVCA, additional channels are issued based on programming usage of existing channels. 56 hours of unduplicated programming triggers a request for an additional channel, while MTA's current Franchise requires Comcast to provide 3 additional channels upon conversion of their network to all digital. Impact – minimal to none.
- Customer Service - MTA's local customer service standards provided in MTA's Ordinance 99-1 would no longer apply. The FCC's standards will apply. Although not as detailed as MTA's, overall the FCC's standards address the key areas of customer concerns such as timeliness of responses to service requests and prompt answering of phone calls resulting in minimal to no difference in the standards impacting customers.
- Free Limited Basic CATV Service for all Government buildings is not required by DIVCA, however under a different program Comcast will continue to provide free Limited Basic Service for all First Responder entities/locations including fire, police, and Office of Emergency Services locations. A few other government locations will lose their current free service or credit of ~ $18/month.
- Senior and low income discount - The remaining 120 grandfathered customers covered in the side letter agreement may lose their discount of 20% of Limited Basic Service (~$3.40/month). This could be mitigated by the MTA program currently under consideration.
- FM radio service could be dropped, although Comcast now provides this service throughout the Bay area a part of its standard service offerings so it appears to provide a business benefit to Comcast, beyond Marin initially requiring the service.

MTA – Comcast February 23 Meeting Update

MTA Chair Berman, Vice Chair Levine, Executive Officer Thornton and Suki Sennett met with Lee-ann Peling and Alice Kessler of Comcast to discuss the MTA-Comcast Local Franchise Agreement/side letters and DIVCA. Overall the meeting was a positive discussion of a possible transition from our local franchise to a statewide franchise. Comcast provided information addressing MTA's questions regarding the effect of converting to DIVCA prior to expiration of our Local Franchise Agreement in June 2016. No other California entity has transitioned from a Comcast local franchise to DIVCA prior to expiration of its local franchise, so this will be a first for Comcast. In general our discussion with Comcast indicated that there would be minimal to no difference in key areas MTA previously identified for discussion with Comcast. Updated information about what remains the same or what minor changes would result are detailed in Attachment G2. None of the minor changes identified would result in MTA staff recommending that the MTA not proceed with considering a transition to DIVCA for these reasons noted in the attachment at this time.

However, Comcast did raise an issue that needs further MTA research and consideration. Comcast believes that they will be entitled to apply the full 1% PEG fee collected from customers upon conversion to DIVCA to Comcast's outstanding balance of their upfront PEG contribution before PEG fees are provided to the MTA. The current outstanding upfront PEG contribution balance is approximately $1.5M. Comcast estimates that it would take 30 months to recover the remaining $1.5M using the 1% PEG fees.

Overall Summary and Next Steps

At MTA's October workshop the Board directed staff to move forward with an evaluation of the staying with the Local Franchise Agreement versus converting to DIVCA prior to expiration of the current Franchise Agreement in June 2016. Since that time the many aspects of the local franchise agreement and DIVCA have been analyzed and quantified. The Board has incrementally considered information and provided direction to staff to ascertain further information and quantification. All of this information can be synthesized to the following key points for Board consideration

- The financial impact on Comcast CATV customers of 1% PEG fee. AT&T /catvf customers already pay 1% PEG fees.
- Increased video services opportunities for the community, education and government including transparency, improved communications including safety training and disaster communications, etc. afforded by MTA's receipt of DIVCA's PEG fee revenues prior to 2016.
- Identification of other issues that have been discussed that the Board feels need to be highlighted as a part of the Board's decision to move to DIVCA as soon as practicable, or to not to move forward at this time.
- Consideration of necessary analysis regarding Comcast's belief that they would receive the 1% PEG fees until the upfront PEG contributions are fully recovered by Comcast.
- Is there a desire by MTA board members to bring this to their Councils/BOS for discussion prior to a final vote by the MTA?
- Is there a Board consensus regarding direction to DIVCA?
- Confirm direction to staff to publish/communicate decision through, among other avenues, each member agency and published FAQs.

Should the board decide to move forward with the conversion from the Local Comcast Franchise to DIVCA's statewide franchise at this time, the next steps for the conversion to DIVCA would be for MTA to submit a letter of request for the conversion to Comcast who would in turn apply to the CPUC to convert to the DIVCA Statewide Franchise in MTA's Franchise area. The CPUC would then need to approve Comcast's application. The CPUC's approval is essentially ministerial once Comcast submits a complete application.

Recommendation

Given the thorough analysis completed to date it appears that the sooner MTA moves to DIVCA the sooner the community would benefit from the additional PEG fees (up to $3M over 5 years) received that can be applied to PEG and video services rather than waiting until 2016 when the current local Comcast franchise expires. Many PEG and video related benefits have been identified that the PEG fee would facilitate while it appears that any losses associated with moving from the local franchise to DIVCA would be minimal to none. It is recommended that the MTA board determine if there is a consensus to move forward and if so to identify any caveats, such as allowing MTA Board members to discuss the DIVCA conversion with to their Councils/BOS prior to a final board vote. In addition, the board may want to condition the timing of its approval to move forward upon obtaining further information regarding the PEG fee recovery item discussed in the recent meeting with Comcast.

Attachments:

- G1 - CMCM Budgets for 2010-2011 (revised) and 2011-2012
- G2 – Local Franchise and DIVCA Issues Update from MTA-Comcast February 2011 Meeting
- G3 - Draft of Local Comcast CATV Franchise Transition to DIVCA - Frequently Asked Questions (FAQs)

COMMUNITY MEDIA CENTER OF MARIN - FY11/12 BUDGET (July 1, 2011 - June 30, 2012)

Attach G1

	ADJUSTED for 2010/11 10/11 projected w/DIVCA	ADJUSTED for 2010/11 10/11 projected w/o DIVCA	11/12 projected w/DIVCA	11/12 projected w/o DIVCA
CAPITAL REVENUE				
CAPITAL BALANCE from Prev. FY	$1,207,069.00	$1,207,069.00	$1,159,736.00	$934,736.00
AT&T Franchise Fee (1%)	$12,000.00	$12,000.00	$16,000.00	$16,000.00
Comcast Franchise Fee (dependent on DIVCA)*	$225,000.00	$0.00	$600,000.00	$0.00
Total Capital Revenue	**$1,444,069.00**	**$1,219,069.00**	**$1,775,736.00**	**$950,736.00**
CAPITAL EXPENDITURES				
Facility				
Distributed Facility Improvements	$75,000.00	$75,000.00	$75,000.00	$50,000.00
Total Facility Expenses	**$75,000.00**	**$75,000.00**	**$75,000.00**	**$50,000.00**
Equipment				
Master Control Equipment - replacement/repair	$20,000.00	$20,000.00	$15,000.00	$15,000.00
Studio and Control Room Equipment	$1,000.00	$1,000.00	$5,000.00	$5,000.00
Post Production Equipment - replacement/repair	$5,000.00	$5,000.00	$5,000.00	$5,000.00
Field Production Equipment - replacement/repair	$5,000.00	$5,000.00	$5,000.00	$5,000.00
Office Equipment	$1,000.00	$1,000.00	$1,000.00	$1,000.00
Facility Fixtures	$0.00	$0.00	$500.00	$500.00
Other Capital Support Expenses	$52,200.00	$52,200.00	$52,200.00	$52,200.00
Insurance	$2,000.00	$2,000.00	$2,500.00	$2,500.00
Database Development	$2,000.00	$2,000.00	$0.00	$0.00
Maintanence Contracts	$2,000.00	$2,000.00	$2,000.00	$2,000.00
Garbage	$960.00	$960.00	$960.00	$960.00
Phone/Telecommunications	$6,188.00	$6,188.00	$7,000.00	$7,000.00
iNet Charges for 10MB service (estimated)	$0.00	$0.00	$0.00	$0.00
Security Service Contract	$456.00	$456.00	$475.00	$475.00
Total Equipment Expenses	**$97,804.00**	**$97,804.00**	**$96,635.00**	**$96,635.00**
Capitalized Expenses				
Facility related salary costs	$111,529.00	$111,529.00	$115,000.00	$115,000.00
TOTAL CAPITAL EXPENDITURES	**$284,333.00**	**$284,333.00**	**$286,635.00**	**$261,635.00**
PROJECTED CAPITAL BALANCE	**$1,159,736.00**	**$934,736.00**	**$1,489,101.00**	**$689,101.00**
OPERATING REVENUE				
OPERATING BALANCE from Prev. FY	**$557,971.00**	**$557,971.00**	**$387,471.00**	**$387,471.00**
Additional Interest Income	$48,000.00	$48,000.00	$70,000.00	$28,000.00
Production Services Income	$12,000.00	$12,000.00	$20,000.00	$20,000.00
Other Income (grants, donations)	$10,000.00	$10,000.00	$35,000.00	$10,000.00
Course Fees	$18,000.00	$18,000.00	$20,000.00	$20,000.00
Membership	$10,000.00	$10,000.00	$15,000.00	$15,000.00
Municipal Meeting Coverage Contracts	$40,000.00	$40,000.00	$60,000.00	$40,000.00
TOTAL OPERATING REVENUE	**$695,971.00**	**$695,971.00**	**$607,471.00**	**$520,471.00**
OPERATING EXPENSES				
Personnel Wages/Salaries				
Executive Director	$50,000.00	$50,000.00	$50,000.00	$50,000.00
Operations and Facilities Manager	$50,000.00	$50,000.00	$52,500.00	$52,500.00
Part-time facility assistant (25 hr)	$25,000.00	$25,000.00	$26,500.00	$26,500.00
Part-time facility assistant (25 hr)	$26,000.00	$26,000.00	$27,500.00	$27,500.00
Part-time facility assistant (25 hr)	$19,500.00	$19,500.00	$21,000.00	$21,000.00
Part-time scheduling assistant (25 hr)	$19,500.00	$19,500.00	$21,000.00	$21,000.00
Part-time Field producert (20 hr)	$21,000.00	$21,000.00	$21,000.00	$21,000.00
Freelance Trainers	$2,000.00	$2,000.00	$2,000.00	$2,000.00
Freelance Field Production Crew	$5,000.00	$5,000.00	$7,000.00	$7,000.00
Payroll Taxes, Benefits for Personnel	$35,000.00	$35,000.00	$35,000.00	$35,000.00
PEG Access Services & Supplies				
Liability, broadcasters and board Insurance	$4,350.00	$4,350.00	$4,350.00	$4,350.00
Equipment Rentals / Space/ Event	$2,000.00	$2,000.00	$2,000.00	$2,000.00
Books, Sunscriptions, Reference	$350.00	$350.00	$200.00	$200.00
Postage	$300.00	$300.00	$500.00	$500.00
Printing/Copying	$1,500.00	$1,500.00	$3,000.00	$3,000.00
Advertising/Promotion	$8,000.00	$8,000.00	$5,000.00	$5,000.00
Supplies (Office)	$4,000.00	$4,000.00	$3,000.00	$3,000.00
Contract Services				
Professional Services - Paychex / Bookeeper	$18,000.00	$18,000.00	$12,000.00	$12,000.00
Professional Legal Fees	$0.00	$0.00	$2,000.00	$2,000.00
Professional Services - Accountant (audit)	$12,000.00	$12,000.00	$12,000.00	$12,000.00
Custodial Services	$3,000.00	$3,000.00	$3,000.00	$3,000.00
Staff Development				
Travel and Meetings	$2,000.00	$2,000.00	$2,000.00	$2,000.00
TOTAL OPERATING EXPENDITURES	**$308,500.00**	**$308,500.00**	**$312,550.00**	**$312,550.00**
PROJECTED OPERATING BALANCE	**$387,471.00**	**$387,471.00**	**$294,921.00**	**$207,921.00**
TOTAL BALANCE (OPERATING / CAPITAL)	**$1,547,207.00**	**$1,322,207.00**	**$1,784,022.00**	**$897,022.00**

* estimated DIVCA PEG fees for 5 months

Local Franchise and DIVCA Issues Update from MTA-Comcast February 2011 Meeting

The following identifies updates in areas that MTA identified for discussion with Comcast –

Local Franchise/Side Letters – DIVCA items clarified -

1. Under DIVCA the local agency (MTA) would still enforce the customer service standards. The customer standards are those that are identified by Federal and state laws, and as per DIVCA requirements MTA adopted an ordinance in January 2007 identifying MTA's authority to enforce customer service standards.
2. Customer complaint escalations from MTA to Comcast will continue to be handled under DIVCA in the same manner as they are today through Alice Kessler.
3. Lee-Ann identified that in general the gross revenues definitions in the local franchise vs. DIVCA may be slightly different and thereby may result in slightly different franchise fees. MTA is requesting clarification and details of differences that Comcast may see for MTA.
4. Under DIVCA the Peg Fee is 1% of Gross Revenues as defined by DIVCA and Comcast believes this would be the PEG fee charged customers rather than the current $0.49 plus 1% as MTA had envisioned. Further clarification of this is required.
5. Local Franchise reporting requirements of Comcast may be different with DIVCA – DIVCA imposes fewer reporting requirements to be provided by Comcast/video service provider, although the MTA has been receiving the same quarterly franchise fee reports from Comcast for its local franchise and small DIVCA territories, so this doesn't seem to be an issue.
6. Free cable services provided under local franchise will no longer be provided under DIVCA- will be converted to pay for service accounts. However, Comcast does have a program that provides free Limited Basic Service to First Responders such Police, Fire and OES Department locations. (Most of Marin's current free cable services are for police and fire departments, so with DIVCA there may not be that much difference in the # of locations that will receive free service).
   Schools are provided with free cable service under a plan independent from MTA's local franchise and that program will continue so there will be no change in free service for schools with a MTA conversion to DIVCA.
7. If we had an INET provided by Comcast (fiber or services) it would be converted to a pay for service. MTA does not have an INET provided by Comcast – we negotiated to obtain cash up front in lieu of obtaining services or fiber from Comcast so this is not an issue for MTA.
8. MTA's local franchise requires that a customer service physical location be located within our territory – DIVCA does not have a requirement. With DIVCA Comcast is moving towards "Apple Store" concept customer service/store locations usually located where they will get a lot of "traffic" such as in shopping centers or close to Safeway or similar high traffic stores. Comcast owns their location on Anderson Drive. They will want to continue to service their customers with a physical location in Marin.
9. Comcast service line extensions – Comcast's standard line extension guidelines would apply – 25 homes in aerial plant, 45 homes in underground plant. This appears to be more favorable than current MTA local franchise although it needs to be confirmed.

10. Lee-Ann & Alice confirmed that the current working relationship/partnership that MTA experiences with Comcast will not change with DIVCA. They are interested in continuing to serve the community and working with MTA to do so.
11. PEG Fees under DIVCA – Comcast raised a point for discussion in that they believe Comcast will be entitled to apply the full 1% PEG fee to the outstanding balance of their upfront PEG contributions to MTA, prior to forwarding DIVCA PEG fees to the MTA. The current outstanding balance of the unpaid upfront PEG fee is approximately $1.5M. This is an open issue at this time.
12. FM service – Will be provided the same as it is today (digital only & requires a digital box (Digital terminal Adaptor will not support FM Radio Service)).