

January 12, 2018

COMMUNITY MEDIA

Laurence “Buzz” Schott
Senior Director, Government Affairs, West Region
Charter Communications
10450 Pacific Center CT, San Diego, CA 92121

Dear Mr. Schott:

I am in receipt of your letter dated January 3, 2018, received on January 5th, regarding Charter’s relocation of ‘Ōlelo’s Public, Education and Government (“PEG”) access channels as part of Charter’s migration of the analog channels to all-digital network, effective February 6th for the island of O‘ahu.

We understand that Charter will be relocating the following O‘ahu PEG access channels as follows:

<u>Current Location</u>	<u>New Location</u>
Channel 49	182
Channel 50 (Government On-Demand – Spectrum only)	183
Channel 52 (Community On-Demand- Spectrum only)	184
Channel 53	185
Channel 54	186
Channel 55	187

We expect that Charter will relocate neighbor island PEG access channels as well. While we understand that an all-digital network is advantageous for Charter, we believe that relocating PEG access channels is not in the best interest of the community at-large—client producers, consumers, and stakeholders throughout the State of Hawai‘i. Thus, I strongly urge Charter to leave the PEG access channels where they are currently located for O‘ahu and the neighbor islands -- Nā Leo on Hawai‘i County, Akakū on Maui County and Ho‘ike on Kaua‘i County.

As proposed, Charter’s planned relocation of O‘ahu’s PEG access channels will have negative impacts on our operations, including:

- (a) Rebranding and effectively communicating the change in channel line-up by Feb. 6th is unrealistic and impractical to accomplish within the short period of time;
- (b) Rebranding the channels via print, on-air video spots, etc., will be cost and time prohibitive;
- (c) Cause severe confusion for viewers and the public as to the new channel designations, since Hawaiian Telcom—the other franchised cable operator on O‘ahu with an all-digital network—will have the current channel numbers at 49, 53, 54 and 55;
- (d) Our client producers who have been providing programming for many years on a particular channel will face tremendous hardships to rebrand their programs to the new channel number;
- (e) Our voter initiatives such as Candidates In Focus where all candidates who filed for elected office are invited to tape their messages to the public and aired on our channels will be lost in the mire of the proposed channel locations and have the effect of suppressing relevant voter information; and
- (e) Loss of viewership of the PEG access channels.

Mr. Lawrence “Buzz” Schott
Charter Communications
January 12, 2018
Page 2

Regarding loss of viewership of PEG access channels, we understand that Charter’s digital migration will require all customers to use a cable box. For those subscribing to the lowest tier such as basic service “digital transport adapter (DTA)” will be available. However, we understand that the DTA limits the channels one could access – channel 2 to 99 only. Charter proposes to relocate PEG access channels to 181 and higher, which effectively prevents those subscribers from viewing PEG access channels.

‘Ōlelo has stated its strong concern to Charter and DCCA that “as the transition of analog channels on the cable system to digital occurs that all Subscribers have access to all Access Channels in the Basic Service Tier and that Subscribers of analog service can receive set-top boxes or similar devices at no charge.” See ‘Ōlelo’s written testimony submitted to the DCCA on the transfer of the Oceanic Time Warner cable franchise to Charter Communications, September 21, 2015, a copy of which is attached.

Moreover, and most importantly, we believe that Charter is relocating our PEG access channels for no other reason than to place PEG access channels in a digital abyss where the channels will be difficult to locate. All other local stations such as KHON and PBS will retain their current location – channels 3 and 10, respectively. This begs the question, Why is Charter doing this to only the PEG access channels? The answer: Charter has a track record of “channel slamming” PEG access channels. As stated in ‘Ōlelo’s written testimony submitted to the DCCA on the transfer of the Oceanic Time Warner cable franchise to Charter Communications, “with the change to digital, channel slamming into digital Siberia (channel placement distant from other local channels) cannot be permitted. Charter has been accused of such practices in Missouri, Wisconsin, Massachusetts and Minnesota.” By moving only the PEG access channels away from their current locations, Charter is indeed continuing its channel slamming track record in Hawai‘i. But, this is something that Charter can remedy on its own volition.

Lastly, ‘Ōlelo has a positive working relationship with local management (formerly Oceanic Time Warner) and we want to continue that relationship with Charter. The diverse and relevant local programming on the PEG access channels is valued by the communities throughout the State, and we trust Charter will do the right thing by not relocating the PEG access channels as proposed.

Thank you for your attention to this very important matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Sanford Inouye
President and Chief Executive Officer
‘Ōlelo Community Media

Encl.

cc w/encl: Ms. Catherine P. Awakuni, Director, Department of Commerce and Consumer Affairs
Ms. Ji Sook “Lisa” Kim, Cable Television Administrator, Department of Commerce and Consumer Affairs
Mr. Stacy Higa, Na Leo TV
Mr. Jay April, Akaku
Mr. J. Robertson, Hoike
Mr. Kiman Wong, Spectrum
Mr. Myoung Oh, Spectrum

**Testimony of Angela Angel, Interim President & CEO, 'Ōlelo Community Television
Public Hearings on the Transfer of Oceanic Time Warner Cable's Hawaii
Cable Television Franchises to Charter Communications
September 21, 2015
Final Official Testimony, Supersedes testimony dated September 9, 2015**

My name is Angela Angel, Interim President and CEO of 'Ōlelo Community Media ('Ōlelo). As a private non-profit corporation that has been contracted to provide PEG Access service on O'ahu since 1989, we take strong interest in this application. Because a transfer from TWC to Charter could affect the PEG operations of 'Ōlelo and other PEG contractors in the islands, we appreciate the opportunity to share our concerns and respectfully submit this testimony.

Currently, 'Ōlelo holds no position on whether the franchise transfer from TWE to Charter should be approved; however 'Ōlelo asks that the DCCA review certain aspects of Charter's Application, and Response to the First Set of Information Requests with care.

In the Application, the State asks Charter to describe any potential changes. To which Charter responds, "New Charter is not requesting and has no current plans to request any changes to the current cable franchise orders." However, in Charter's response to the State's questions concerning PEG operations, Charter states, "Charter has not had an opportunity to review the systems or their operations and accordingly it is premature to establish specific plans regarding the itemized matters."

It is difficult for 'Ōlelo to comprehend that a merger of this magnitude would have reached this stage without a comprehensive review of operations. Charter's indication that it is unable to offer specific changes as they have not reviewed TWC systems or operations concerns 'Ōlelo as Charter has a history in other municipalities of negatively impacting PEG Access services after being granted their franchise (see ACM Report attachment dated 9.21.15). We are hopeful that this is not the case for our state.

'Ōlelo appreciates Charter's Response to the First Set of Information Requests put forth by the DCCA. 'Ōlelo respectfully asks that the DCCA review Charter's response in IR 10, including the footnote indicating that analog customers will require a box to access the new digital services but indicates that the system is "at their option." The DCCA should inquire if this implies that there would be a fee for access to the basic tier channels.

We're pleased to read that in IR 14 and IR 15 that Charter states that the acquisition "will not affect Oceanic's PEG obligations under its franchise agreement." However, again, Charter states in both responses that it "does not have any **current** plans to make any changes."

We are also pleased to read that in IR 17, Charter shares a list of specific public interest benefits like faster internet, quicker rollout of advanced video technology, and especially Exceptional Community Initiatives; wherein they talk about "commitment to diversity and inclusion, and initiatives to expand broadband adoption and close the digital divide."

Our State prides itself on building and maintaining business relations not only with integrity but also with aloha. Despite national stories of Charter negatively impacting PEG Access services and digital inclusion, we look to this application as an opportunity to forge positive relations, and we look to the DCCA to continue to protect the public interest through this transaction.

The DCCA has communicated to 'Ōlelo their ongoing support and desire to improve access services. We ask that the DCCA uphold the requirements in the existing franchise agreement, as documented in the DCCA Cable Television Division's D&O 346, and the Deputy Director's Final Order Regarding Arbitrator's Decision, and in Stipulation to Settle all Claims of the Parties, CTV-2013-1.

I have included an addendum summarizing some of the primary public benefits contained in D&O 346. In general, there are requirements that we would like to bring to the attention of the DCCA.

- The provision of VOD and digital Channels.
- The provision of analog channels designated for public, educational, and government access purposes, plus a statewide digital PEG Access channel.
- That all PEG Access Channels are transmitted to all Subscribers on TWE's Basic Service Tier.
- Ensuring that technical quality of PEG Access and other required Channels are at least equivalent to the technical and picture quality of the local broadcast television stations, and can be located and viewed in the same manner as other commercial channels; that PEG channels will continue to be located in a contiguous grouping of channels.

Affiliates of major national broadcast networks (ABC, CBS, FOX, NBC) have superior technical and picture quality than 'Ōlelo through High Definition (HD) channels, in addition to non-HD digital channels and analog channels. Digital and HD subscribers consistently overlook lower-quality channels which puts 'Ōlelo's analog-only channels at a disadvantage.

'Ōlelo is producing 100% HD content and can deliver HD channels. Our production equipment; cameras, multi-camera field units and production van are HD ready. Our master control system is digital, and can readily be converted to output in HD. We currently down-convert HD content to SD for delivery to Oceanic Time Warner because they do not provide our channels in HD. 'Ōlelo interprets Section G-1 to mean that the cable franchise operator is required to provide content, including PEG channels, to its HD subscribers in HD. Furthermore, should technology evolve beyond HD, the requirement in this section would also apply to new technology.

Also, channel placement is critical to PEG television in obtaining viewership because of the vast cable spectrum. As cable subscribers continue to migrate to higher service levels, they are being moved to spectrums that are not contiguous to 'Ōlelo channels, which remain in the analog spectrum. This makes it increasingly difficult for subscribers to find 'Ōlelo through channel surfing. This could be remedied by having, for example, additional channels such that 'Ōlelo 49 can also be viewed on 1049. This same rationale would hold true when video-on-demand (VOD) channels are added as specified in Section III of Stipulation to Settle all Claims of the Parties. In addition, we request that 'Ōlelo's channels, analog, digital and HD, be sequentially numbered; currently our channels skip from 49 to 53, creating unnecessary complexity in communicating with viewers.

- Continue to require the submission of detailed reports by the cable provider to include community needs and interests, PEG Access channels and digital upgrades to PEG Access equipment and facilities.
- Ensure that as the transition of analog channels on the cable system to digital occurs, that all Subscribers have access to all Access Channels in the Basic Service Tier and that Subscribers of analog service can receive set-top boxes or similar devices at no charge.

Forty percent of our viewers on the TWC system are Analog subscribers, many of them older, less affluent viewers who may not be able to afford the higher prices that accompany digital cable service. These viewers must have access.

Also with the change to digital, “channel slamming into digital Siberia” (channel placement distant from other local channels) cannot be permitted. Charter has been accused of such practices in Missouri, Wisconsin, Massachusetts, and Minnesota.

- Ensure payment formula for the Access Operating Fee and payment of Capital Funds stays intact.
- The expansion of the Institutional Network (“INET”) continue and that the new INET connections are free of charge to the State.

‘Ōlelo’s cablecasts of State legislative sessions, hearings, confirmations and meetings are hampered by technology limitations due to INET inadequacies such as the limitation of two simultaneous transmissions from the State Capitol through antiquated technology at any given time. The legislature and the DCCA have expressed their desire to have ‘Ōlelo increase government programming – and ‘Ōlelo is working to do so. However, unless the INET system is upgraded or replaced with a superior alternative, signals will continue to be limited to two simultaneous, low quality transmissions.

For the past 25 years, ‘Ōlelo Community Media has equipped and empowered thousands of O’ahu residents, community organizations, educational institutions, and government officials and agencies through basic and advanced video production trainings and services necessary to conceive, design, execute, and share meaningful messages and community dialogue via PEG Access Channels. We have long leveraged resources and enabled innovation with the use of volunteers, long-standing community partnerships, and local and national grant opportunities to maximize what services and resources we can offer to our island residents. WE share over 5000 hours of locally produced programming a year. Our youth initiatives touch thousands of students annually with some schools incorporating our programs into their curriculum. To date, ‘Ōlelo has cablecast more than 110,000 locally produced programs that represent O’ahu’s rich diversity in speech, culture, and community perspectives. These successful services and outcomes could be jeopardized even with the most subtle change in provisions for PEG access services. ‘Ōlelo supports competition but equally so, public assets, consumers, underserved populations, and our first amendment rights must be protected.

In summary, as we have stated, ‘Ōlelo does not take a position with regard to this transfer. However, should the State approve the Charter application we ask that the DCCA address our concerns and uphold the requirements in the existing franchise agreement, as documented in the DCCA Cable Television Division’s D&O 346, as well as the Deputy Director’s Final Order Regarding Arbitrator’s Decision Filed on July 27, 2012 in the settlement of the capital arbitration and in Stipulation to Settle all Claims of the Parties, CTV-2013-1 dated March 4, 2014, to apply these requirements to the acquiring entity should the acquisition transaction be allowed; and the written assurance that those will continue to be governing documents going forward. This would help ensure that cable subscribers on O’ahu continue to receive quality PEG Access services.

Thank you for this opportunity to provide testimony. I am confident that in your decisions you will consider the applicant’s fulfillment of the public benefits outlined in the above documents and the value of PEG Access to our community.

ADDENDUM

DECISION AND ORDER NO. 346

This addendum is intended to summarize some of the primary public benefits contained in Decision and Order No. 346 and to provide comment with regard to requesting that the DCCA uphold these benefits should the State approve Charter's acquisition of Time Warner Oceanic Cable. Although the focus here is primarily on Decision and Order No. 346, references in some cases are made to the Stipulation To Settle All Claims Of The Parties ("Settlement") (CTV-2013-1).

A. FRANCHISE REQUIRED CHANNELS (Section IV.E)

D&O No. 346 makes reference to TWE being required to provide seven digital channels as Franchise Required Channels. The provision of these franchise required channels was significantly modified by Settlement CTV-2013-1, including:

- No longer requiring OTWC to make the five (5) Franchise Required Channels ("FRCs") available.
- OTWC would provide One statewide State Government VOD channel, collectively to the State Government (i.e., Legislature, Office of the Governor, Executive Branch agencies, Judiciary, etc.);
- Provide two hundred (200) total hours of storage capacity for State Government VOD and two hundred (200) hours of storage capacity per County Government for a total of eight hundred (800) hours for the County Government VOD Channel;
- One statewide County Government VOD Channel, collectively to County governments (i.e., the City, County of Maui, County of Hawai'i, and County of Kaua'i);
- One statewide State Government Linear Digital Channel;

Along with these obligations, OTWC and the parties to the Settlement are required to address additional provisions contained in Settlement CTV-2013-1.

B. PEG ACCESS CHANNELS (SECTION IV.F.)

The Franchise includes six analog channels (total of 36 MHz of bandwidth) designated for public, educational, and government access purposes, plus one statewide digital PEG Access channel. The Franchise stated that four (4) of these channels are for PEG Access programming by the PEG Access Organization ('Ōlelo). Provisions related to this section were amended by Settlement CTV-2013-1, including

- One additional statewide PEG VOD Channel and one PEG Linear Digital Channel;
- Provide two hundred (200) hours of storage capacity for each designee, for a total of eight hundred (800) hours of storage capacity for all designees.

All PEG Access Channels, once made available, are to be transmitted to all Subscribers on TWE's Basic Service Tier.

Pursuant to the Franchise, TWE is obligated to provide upstream-activated connectivity for two additional upstream-activated sites for PEG Access purposes.

C. TECHNICAL QUALITY, CHANNEL PLACEMENT, AND PROMOTION OF PEG ACCESS AND FRANCHISE REQUIRED CHANNELS (SECTION IV.G)

The Franchise ensures that technical quality of PEG Access and other required Channels shall be at least equivalent to the technical and picture quality of the local broadcast television stations. Additionally, TWE must ensure these channels can be located and viewed in the same manner as other commercial channels of video programming. This requirement assures that PEG Access Channels will not receive inferior placement on the cable spectrum and that subscribers will be able to locate the PEG channels as easily as they can locate commercial channels on the cable system.

The language related to PEG Channel placement states that TWE agrees to assign each PEG Access Channel its own dedicated Channel number (i.e., the current numbering is 49, 52, 53, 54, 55 and 56) and that PEG channels will continue to be located in a contiguous or near contiguous grouping of channels.

The Franchise also states the channels shall be located in a reasonably contiguous grouping of channels and that PEG Access-specific groupings shall be reasonably contiguous.

TWE is obligated to provide 1,000 30-second spots for public service announcements (PSA's) designed to promote viewership and awareness of the PEG Access and Franchise Required Channels and programs.

From Testimony: Affiliates of major national broadcast networks (ABC, CBS, FOX, NBC) have superior technical and picture quality than 'Ōlelo through High Definition (HD) channels, in addition to non-HD digital channels and analog channels. Digital and HD subscribers consistently overlook lower-quality channels which puts 'Ōlelo's analog-only channels at a disadvantage.

'Ōlelo is producing 100% HD content and can deliver HD channels. Our production equipment; cameras, multi-camera field units and production van are HD ready. Our master control system is digital, and can readily be converted to output in HD. We currently down-convert HD content to SD for delivery to Oceanic Time Warner because they do not provide our channels in HD. 'Ōlelo interprets Section G-1 to mean that the cable franchise operator is required to provide content, including PEG channels, to its HD subscribers in HD. Furthermore, should technology evolve beyond HD, the requirement in this section would also apply to new technology.

Also, channel placement is critical to PEG television in obtaining viewership because of the vast cable spectrum. As cable subscribers continue to migrate to higher service levels, they are being moved to spectrums that are not contiguous to 'Ōlelo channels, which remain in the analog spectrum. This makes it increasingly difficult for subscribers to find 'Ōlelo through channel surfing. This could be remedied by having, for example, additional channels such that 'Ōlelo 49 can also be viewed on 1049. This same rationale would hold true when video-on-demand (VOD) channels are added as specified in Section III of Stipulation to Settle all Claims of the Parties. In addition, we request that 'Ōlelo's channels, analog, digital and HD, be sequentially numbered; currently our channels skip from 49 to 53, creating unnecessary complexity in communicating with viewers.

D. DEVELOPING TECHNOLOGIES (Section IV.H.)

Section IV.H. of the Franchise describes the TWE technology migration plan in the next three years and requires TWE to submit detailed reports (every 5 years) on how TWE is going to keep the O'ahu cable system current with new and evolving technologies over the 20 year term of the agreement.

The Franchise provides specific deadlines for TWE to submit the technology reports. It should be noted that the first of these technology reports was due on August 1, 2010. TWE did not meet the deadline and asked the Director for an extension, which was granted.

The criteria that the Director may use for evaluating the TWE reports include community needs and interests, PEG Access channels and digital upgrades to PEG Access equipment and facilities, and the effect, compatibility and costs of those technological changes on consumer electronic equipment. TWE is obligated to include in its plans, among other things, the following: impacts to PEG Access and schools and libraries, Franchise Required Channels, INET interconnection or connection requirements, broadband internet speeds and other matters related to its Cable System and the cable franchise area.

This section of the Franchise also states that TWE will transition 50 of the analog channels on the cable system to digital over the first 4 years of the Franchise.

In order to ensure that all Subscribers have access to all Access Channels and non-Access Channels in the Basic Service Tier that have been converted to digital, TWE must provide to Subscribers of analog service, *upon request* and at no charge to the Subscriber, set-top boxes or similar devices to view Channels in the Basic Service Tier (up to a reasonable maximum per household) that have been migrated to the digital spectrum. TWE must provide free installation and support for those Subscribers who need assistance with these devices.

As a further condition of the Franchise Order, TWE must ensure that the time to access a standard digital video ("SDV") Channel, under normal operating conditions, shall not exceed a one second average delay per Channel and will not include a drop-down menu selection.

From Testimony: Forty percent of our viewers on the TWC system are Analog subscribers, many of them older, less affluent viewers who may not be able to afford the higher prices that accompany digital cable service. These viewers must have access.

Also with the change to digital, "channel slamming into digital Siberia" (channel placement distant from other local channels) cannot be permitted. Charter has been accused of such practices in Missouri, Wisconsin, Massachusetts, Georgia, South Carolina and North Carolina.

E. PEG ACCESS OPERATING FEE (SECTION IV.I)

During each year of the Franchise, TWE is obligated to pay an Access Operating Fee (AOF) used for PEG Access purposes.

The payment formula for the AOF is the *lesser* of: (1) 3% of TWE gross revenues, or (2) an amount equal to the amount paid for the previous calendar year multiplied by the percentage change (positive or negative) of the United States Department of Labor seasonally adjusted Consumer Price Index for all Urban Consumers Honolulu (CPIU) for all Items (1982-1984=100) from the most current period available and the comparable figure for the prior twelve-month period.

F. CAPITAL FUND PAYMENTS (SECTION IV.J.)

Commencing on January 31, 2011, and on January 31 of each year thereafter, TWE is obligated to make annual Capital Fund Payments of \$823,000. This provision of Decision and Order No. 346 was amended by Settlement CTV-2013-1 to address Capital Fund payments for 2015 and beyond for the OTWC Cable

Franchise for O'ahu. The provision of increases based on CPI adjustments based on percentage change from the preceding year's CPI, but not less than \$823,000 total as of 2016.

G. NETWORKS (SECTION IV.M.1)

This section requires the expansion of the Institutional Network ("INET") that was initiated under previous franchise agreements. TWE must provide 20 new INET connections or interconnections free of charge to the State during the first 5 years of the Agreement.

From Testimony: 'Ōlelo's cablecasts of State legislative sessions, hearings, confirmations and meetings are hampered by technology limitations due to INET inadequacies such as the limitation of two simultaneous transmissions from the State Capitol through antiquated technology at any given time. The legislature and the DCCA have expressed their desire to have 'Ōlelo increase government programming – and 'Ōlelo is working to do so. However, unless the INET system is upgraded or replaced with a superior alternative, signals will continue to be limited to two simultaneous, low quality transmissions.

SUMMARY

Should the State approve Charter Communication's application to acquire Oceanic Time Warner Cable's existing franchise, 'Ōlelo asks that the DCCA uphold the requirements in the existing franchise agreement, as documented in the DCCA's Cable Television Division's D&O 346, as well as the Deputy Director's Final Order Regarding Arbitrator's Decision Filed on July 27, 2012 in the settlement of the capital arbitration and in Stipulation to Settle all Claims of the Parties, CTV-2013-1 dated March 4, 2014, to apply these requirements to the acquiring entity should the acquisition transaction be approved; and the written assurance that those will continue to be governing documents going forward. Since the authority already resides with the DCCA, the DCCA can ensure that the public benefits enabled through the above referenced document are delivered to the residents of O'ahu.



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CHARTER COMMUNICATIONS, PEG ACCESS AND OTHER PUBLIC SERVICE OBLIGATIONS

September 21, 2015

The Alliance for Community Media (www.allcommunitymedia.org) and its members are concerned about the ramifications of the proposed merger between Charter Communications, Time Warner and Bright House Networks to create a “New Charter”. We have identified a significant number of cases which reveal troubling actions by Charter as it relates to the company’s Public Educational and Government (PEG) Access and other local public service obligations.

We summarize the issues below. They are organized by state, but reflect a reasonable characterization of Charter’s behavior related to PEG and public service obligations that are beyond the borders of any particular state.

It should be noted that one of the key “lenses” through which the Federal Communications Commission has viewed other proposed mergers has been whether the situation related to any particular concern will be worse under a merged environment than it would be if the merger does not occur.

WISCONSIN

Charter and Time Warner Cable operate the majority of cable holdings in Wisconsin.

Time Warner Cable has a call center in Appleton. Charter's call center in Fond du Lac is located about 45 miles from Appleton. These call centers would likely be consolidated after the merger, which would cause significant job losses.

Channel Relocation (*Often referred to as "Channel Slamming" is an action taken by a cable company to move PEG channels from lower-numbered positions to little-viewed, high-numbered locations.*)

In 2008, Charter moved all PEG channels on at least 31¹ of its Wisconsin systems from low numbers (like 1, 2, 3, 4, 10, 12, 13, and 19 -- where they had been for decades) to 982-994. Since then, many viewers reported serious reception problems for the PEG channels in the new channel locations. Wisconsin's video franchise law only requires that PEG channels be "transmitted." Signal quality concerns are not addressed.

Time Warner Cable has continued to carry PEG channels on low channel numbers. PEG channel reception problems are rarely reported by Time Warner Cable subscribers. If Charter takes over Time Warner Cable's systems, will Charter relocate these PEG channels to the upper-900s and have no concerns about their signal.

PEG Channels Rarely Appear on Charter's Electronic Program Guide ("EPG")

Recent surveys of cable subscribers throughout the United States reveal that a cable system's EPG has become the primary method used by subscribers to find information about programming on cable TV channels. Unfortunately, few of Charter's Wisconsin systems include PEG program schedules on their EPG. For example, efforts by **Chippewa Valley Community Television (CVCTV) in Eau Claire** to get their listings on the EPG were fruitless. Charter would charge them at least \$100 per month for this capability, far too expensive for CVCTV and other financially struggling PEG management organizations that serve rural and other small communities in Wisconsin, where its state franchise law prohibits PEG fees. *Charter charges PEG channels – but not broadcast or satellite-delivered programming channels -- to include their program schedules on the EPG.*

Charter Charges School Districts for Cable Service

Prior to 2007, when the state franchise law was adopted in Wisconsin, local communities required that cable companies provide cable service at no charge to public buildings and schools. During legislative discussion, lawmakers were left with the impression that such free service would continue without the need for a provision in the state franchise law. However, in recent years, Charter has begun charging these institutions business rates (\$70 per month) for cable service – plus a cable box fee of \$5.99 to \$7.99 per month per box. For example, Charter told **Merrill Area Public Schools** and the **Whitewater Area School District** that one cable box would be provided at no charge to each school, but any

¹ Including these PEG channels: **Beloit Access TV, Chippewa Valley Community Television, City of Algoma TV, Columbus Cable, Deerfield Community Access TV, Fitchburg Access Television, Janesville JATV Media Services, Jefferson JPEG and SDOJ, Lake Mills Community Access TV, Madison City Channel, Madison Metro School District, Marshfield Community Television, Monona School/Community TV, Mount Horeb Village Cable, Rice Lake Public Access Television, River Cities Community Access, Stevens Point Community Television, Sun Prairie Media Center, Superior Community Television, The Ripon Channel, Town of Sevastopol TV, Village of Cambridge TV, Village of Cottage Grove TV, Waterloo Community Access TV, Watertown Television, Waunakee Community Access TV, Whitewater Community Television, WIN-TV (Waupaca), WMCF McFarland, WSCS Sheboygan.**

additional boxes would cost \$7.99 per month. Since the school district could not afford Charter's cable box fees to equip every classroom, the only location where educational cable programming is available is in the school library, where the one free box is kept.

Charter's only-one-free-box-per-school policy caused the same result for financially struggling schools in the **Village of McFarland (Monona Grove School District and the McFarland School District)**.

CALIFORNIA

Non-Payment of PEG Fees as Mandated by the State Franchising Law (DIVCA)

In several California communities that it serves (including **Santa Cruz County, San Luis Obispo County, and the Cities of Capitola, Morro Bay and Grover Beach**), Charter has unilaterally ceased payments of PEG fees established by these communities in conformance with DIVCA (Digital Infrastructure and Video Competition Act), due to the company's interpretation of state law. No other cable operator has done this.

Refusal to Provide Free Connection between PEG Channel Playback Site and Charter's Facilities

In **Long Beach**, Charter discontinued its management of the Public Access channel in 2009, immediately after DIVCA went into effect. Subsequently, nearly four years passed with no Public Access channel in Long Beach, until a local nonprofit organization secured grant funding, which enabled it to set up PADNET (Long Beach Public Access Digital Network), a new Public Access management entity to serve this community.

When PADNET was ready to connect its playback system to Charter's headend, its representatives were told by Charter that a substantial fee would be charged to PADNET for that connection to occur. If PADNET had refused to pay this fee, the revived Public Access channel would not be transmitted to Charter's subscribers.

Although other PEG facilities throughout California do not – and have never -- paid such a connection fee, Charter decided to take this unilateral action against the new Public Access operation in Long Beach.

The **Los Angeles County** channel is another PEG channel that could be serving the residents of Long Beach (which is located within Los Angeles County), but it is not available to Long Beach subscribers because Charter requires the City to pay the company to transmit this channel.

We are unaware of any "connection fee" being charged by Charter to a broadcast channel or satellite-delivered service carried on any Charter system in the United States. Charter's decision to single out PEG channels -- the least likely programming service to be able to afford such a connection fee illustrate much about Charter's attitude about PEG.

*Based on available information, we believe that Charter was the first cable MSO in the United States to impose a connection fee as a condition of PEG channel transmission. Regrettably, other MSOs are starting to follow Charter's example (e.g., in the **San Diego** area, Cox recently sent notices to several cities and PEG channel managers to inform them that the company will begin charging for PEG channel transport from their facilities).*

Charter to Begin Charging Schools for Cable Service

Mirroring its practice in Wisconsin, Charter has informed local schools in **Long Beach** that cable service previously provided by the company at no charge to public buildings and schools is being discontinued.

PEG Channels Do Not Appear on Charter's Electronic Program Guide ("EPG")

In **Pasadena**, PEG programming information is not on Charter's EPG, due to the high fee quoted by Charter and its incorrect statement to Pasadena Media that the information has to be locked in at least one month in advance.³ PEG programming information is also unavailable on Charter's EPG in **Long Beach**.

³ According to Rovi (a company that provides EPG service to Charter), 30 days of current data must always be present, but *it can be changed/updated as late as one day in advance.* (See: <http://alist.rovicorp.com/farsight/Include/ALISTHelp.pdf>)

MASSACHUSETTS

Channel Relocation

Charter has moved PEG channels in several locations in Massachusetts. For example, in 2014 Charter unilaterally moved PEG channels in **Northbridge** from 11, 12, and 13 to 191, 192 and 194. This was done despite the Town's franchise agreement, which stated that the PEG channels would be on 11, 12 and 13. At a public meeting, Charter representative Tom Cohan told the Northbridge Selectmen that it was a mistake for Charter to agree to the PEG channel location terms in the franchise agreement, but Charter would not move the channels back. Without citing any evidence, Mr. Cohan claimed that lower channel positions are unimportant.⁴

The Selectmen believe Charter is in breach of its contract with Northbridge, but are reluctant to take Charter to court because of the expense. Charter has repeated this behavior towards PEG in **Worcester, Uxbridge, and Douglas**, unilaterally moving their PEG channels and harming service to local communities.

MINNESOTA

Channel Relocation

In 2014, Charter unilaterally decided to move the PEG channels in **Rochester**, despite the City Council's previous denial of Charter's request to do so.^{5,6} The channels were moved from 10, 19, 20, 21 and 22 to the 180s. Although the "Relocation of PEG Channels" section of the Rochester franchise agreement states that "*Grantee and Grantor may at any time agree to relocate any PEG access Channel to a different Channel number,*" Charter interpreted this to mean that the company just had to inform the city, not to have a mutual agreement. This section of the franchise agreement goes on to state that "*Grantee shall provide Grantor and all Subscribers with at least thirty (30) days prior written notice of any legally required relocation.*" However, no advance notice was given to the City by Charter, which notified Council members of the change in a letter on the day the channels were moved.

Also in 2014, Charter moved **St. Cloud** PEG channels 12, 19, 6, 21 and 20 to channels 180, 181, 187, 188 and 189, respectively.⁷ Charter did not receive written consent from the City of St. Cloud prior to the relocation, which the City stated was required by the franchise agreement. In this case, the corporation made the move after it had been denied by the city.

⁴ <https://www.youtube.com/watch?v=DZdhea-vigI&feature=youtu.be>

⁵ KTTC, October 16, 2014. <http://www.kttc.com/story/26809907/2014/10/16/charter-communications-relocates-channels-city-officials-say-potential-violation>

⁶ Rochester Post Bulletin, October 17, 2014. http://www.postbulletin.com/business/charter-change-upsets-rochester-council/article_5a1b78f4-b415-5489-85d9-225235b415a7.html

⁷ St. Cloud Times, September 4, 2014. <http://www.sctimes.com/story/news/local/2014/09/04/city-st-cloud-accuses-charter-violating-agreement/15070577/>

MISSOURI

Channel Relocation

Shortly after Missouri's state franchising law took effect in 2007, Charter moved PEG channels throughout the state from lower-numbered positions to the mid- to upper-900s, a move that required many subscribers to pay a \$5 monthly fee for a cable box to tune in city council meetings and other community programming.

St. Louis aldermen held a lengthy public hearing about this action, to no avail. They said that Charter was not listening to those residents who care about public programming.⁸ **Florissant** Mayor Robert Lowery said that this action by Charter was especially hard on older adults and others on a fixed income. **Brentwood** Mayor Pat Kelly learned about the change from residents who called him to ask why the local government channel had gone dark. Kelly said that "since we no longer have a franchise agreement with Charter, we really don't have any club to fight with."⁹

MONTANA

Charter's Switch from Analog to Digital Could Cost Schools \$60,000-100,000

In **Missoula**, the existing local franchise agreement requires Charter to provide a free connection to each school. In July of 2014, Charter informed the School District that the company's switch from analog channels to digital would require new digital set-top boxes for every TV. A cable box on every TV was not needed previously in the School District's 628 classrooms. The next month, cable service was no longer available to those classrooms.

To outfit each classroom with a digital cable box, the cost to the School District "could be anywhere from \$60,000 to \$100,000," according to Hatton Littman, Director of Technology and Communications with Missoula County Public Schools.^{10, 11}

⁸ St. Louis Post Dispatch, July 1, 2010. http://www.stltoday.com/news/local/govt-and-politics/st-louis-aldermen-fired-up-at-charter-want-cable-co/article_a215677e-853d-11df-96e2-00127992bc8b.html

⁹ St. Louis Post Dispatch, February 21, 2010. http://www.stltoday.com/news/local/metro/city-council-meetings-get-pushed-off-many-screens/article_7944de68-5acd-5f2f-aca7-cf65d658efec.html

¹⁰ Missoulian, August 27, 2014. http://missoulian.com/news/local/charter-digital-tv-conversion-could-mean-higher-costs-for-city/article_70ae6a52-2d7f-11e4-94c7-001a4bcf887a.html

¹¹ KECI, August 28, 2014. <http://www.nbcmontana.com/news/city-schools-negotiate-with-charter-to-get-cable-service-back/27781240>