

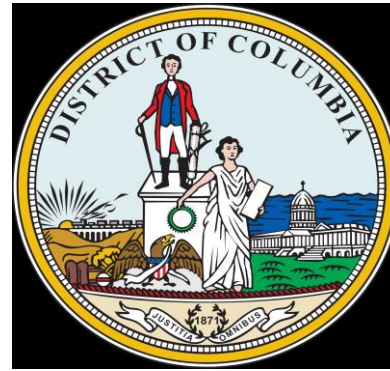


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Franchising & Finances

What is Happening in Negotiations?

How to Best Prepare for the Future

Presenters



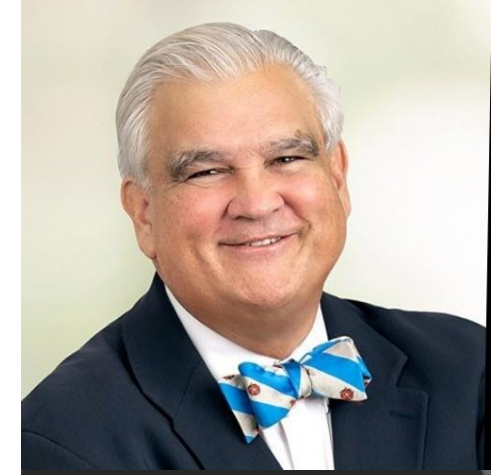
Sue Buske



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What is Happening in Negotiations?



- **Rebirth of the renewal process in the Post 621 Order**
 - **Lots of renewals that were on hold are moving**
 - **Lessons to be understood**

State Law Impacts/Consequences



- **Does Your State Law Impact Your Negotiations/Terms?**
 - **Definitions such as gross revenue (Virginia)**
 - **Percentage of gross revenue (New Jersey)**
 - **Final adoption reserved to state PUC / PSC / BPU / DTE**

“Let’s Just Extend For 5 Years” – Implications of a Holdover Franchise



- **Caveat – You need to ensure the right to receive annual PEG support or you are at a disadvantage**

Length of Term



- Longer or Shorter?

Level Playing Field



- **What You Can and Should Not Agree About**

Guarantee of Cable Service During Franchise



- **Removal of System if cable service is no longer offered?**

Unilateral Operator Termination?



- **Franchisee wants to include a clause that allows them to unilaterally terminate the franchise**
 - **Loss of franchise fees**
 - **Loss of PEG channels and support**

PEG Access



PEG Channels

- PEG channels in HD or the most advanced format
- PEG on EPG or some equivalent
- Number of PEG channels

PEG Support & Method of Computation

- Flat amount over life of franchise annualized
- Percentage of gross revenue
- All upfront

Gross Revenue



Gross Revenue



What is Happening?

- Accounting issues
- Subscriber counts
- Streaming – Over the top offerings by franchisees

How to Reserve the Right to Fight in the Future

What Are Your Issues?



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Questions?



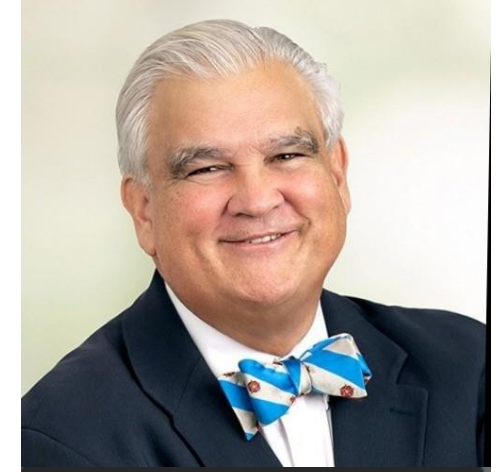
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Thank You!

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