



# The Future of Franchising

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# Key Points

- In States where local franchising authority continues to be enabled, for cable franchising “the future is now” (for now).
- Where local franchising has been disabled, use the authority you have to protect consumers, the public rights-of-way (ROW) and public property.
- In both cases, focus on video communications as a key part of government outreach, working with your community and, to the extent needed, empowering educational entities.

# Local Franchising Authority

- Large cable operators continue to pursue local Franchising Agreements.
  - 10 years is the most common renewal term.
  - Verizon is the outlier – 5 years (with triggers to terminate earlier in nearly all cases).

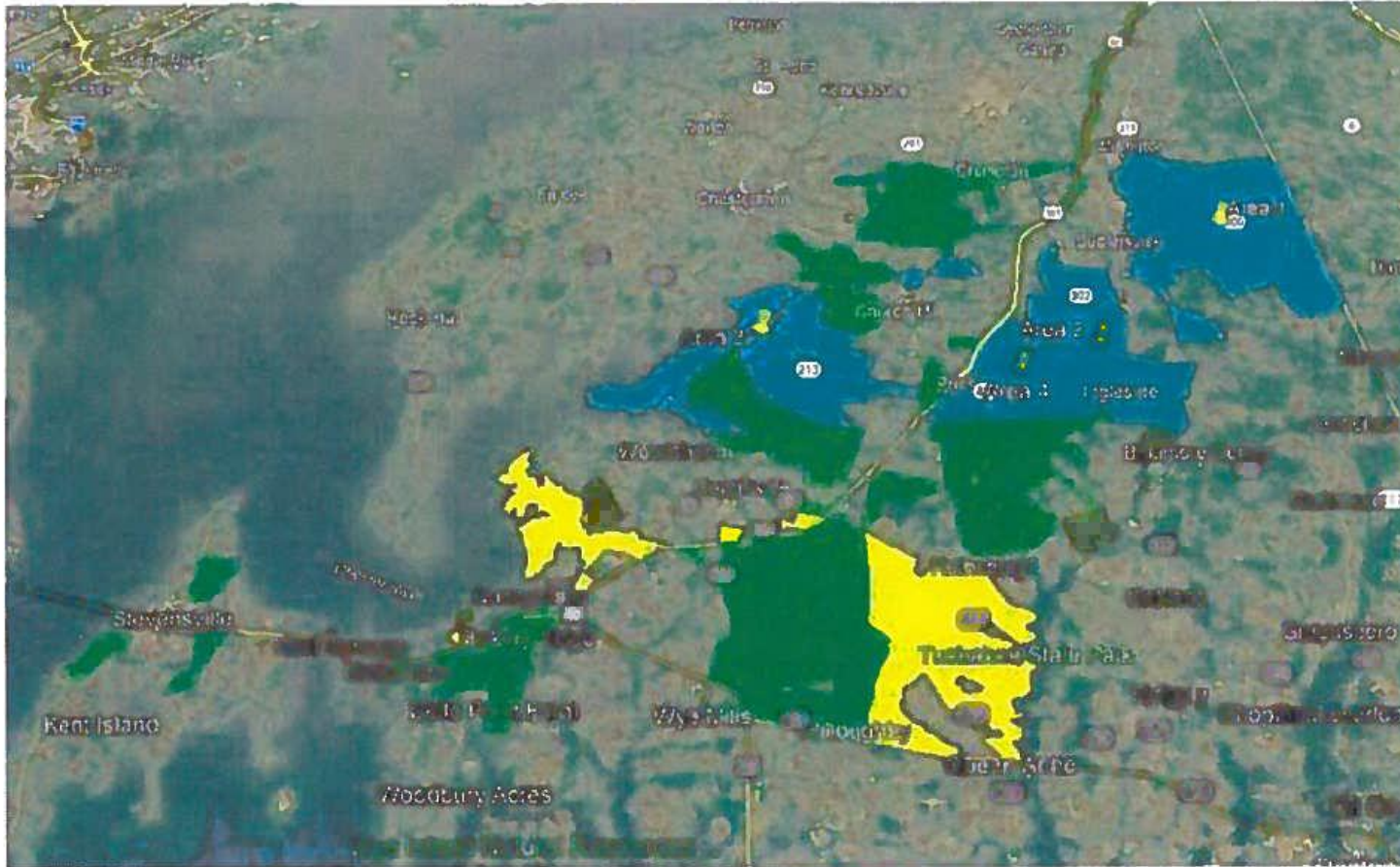
# Local Franchising Authority

- Some are overbuilding smaller operators creating new, competitive franchises.
  - An example is Comcast in some markets.
  - While keeping in mind the federal requirements regarding new entrants, use the franchising process as an opportunity to obtain additional or enhanced public benefits, and an expansion in system infrastructure and reach.

# Local Franchising Authority

- Broadband providers that package video services, receive the revenues, provide them over their own platform, only to their subscribers, using facilities in the ROW, are (or should be) getting franchises.
  - The technology for video delivery doesn't matter.
  - An example is Talkie TV in Queen Anne's County, MD.

# IPTV Cable System Build



# Local Franchising Authority

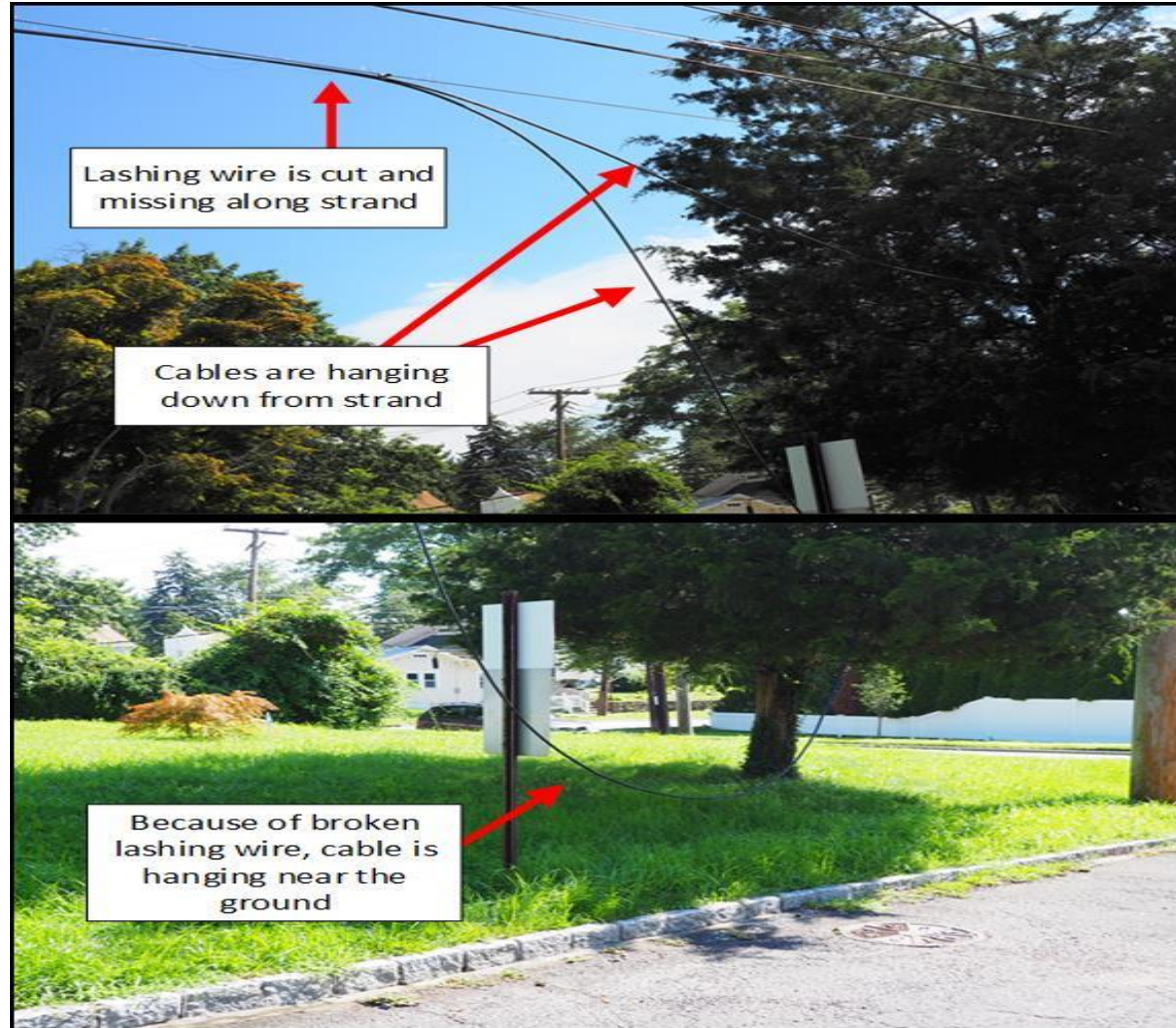
- Why are cable operators continuing to invest in franchises?
  - Older subscribers still love their cable tv.
  - 90+ percent of cable subscribers subscribe to their same providers' broadband platform.
  - Operators like Comcast own and control a substantial amount of content as well as the transmission platform, and they make money multiple ways off of the same content, including via cable tv.
  - It's no longer a high profit margin service, but it's still profitable.

# Local Franchising Authority

- Continue to seek renewals with strong public protections and benefits, including:
  - Customer service standards that are responsive to consumer problems and issues.
  - Right of Way management provisions that ensure continued integrity of the ROW for multiple users and uses.
  - Infrastructure requirements that ensure code compliance and system longevity (along with testing and inspection requirements).



# Code Compliance Problems



# Code Compliance Problems

- Micro-trench failure.



# Code Compliance Problems

- Cable not attached to poles.



# Code Compliance Problems

- Extra cable left on the ground. Note that grasses have overgrown the cables. Not a brand-new problem.



# Code Compliance Problems



- Facilities clearance problems abound.

# Code Compliance Problems

- Clearance and structural issues – failed supports, including down guys.



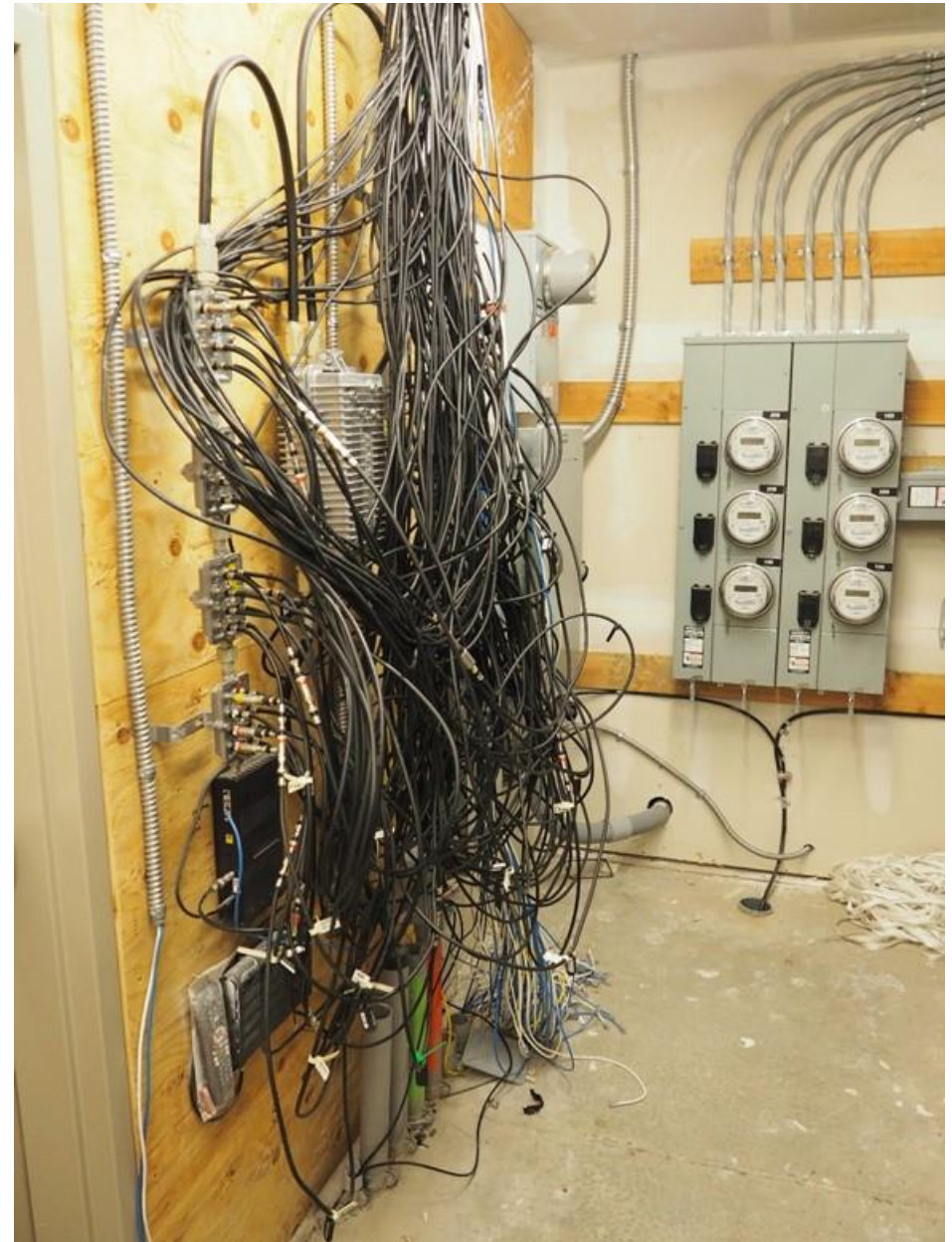
# Code Compliance Problems



- MDU outside.

# Code Compliance Problems

- MDU inside – new MDU Electrical/Communications room.

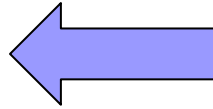




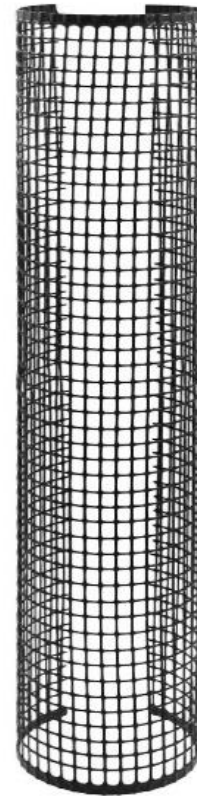
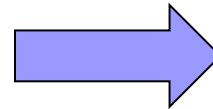
# Code Compliance Problems



- The infamous cable provider tree wrap.



- A more traditional tree wrap.



# Local Franchising Authority

- Renewals (continued):
  - System build-out provisions that work to expand coverage into less dense areas
    - This can work in tandem with any available broadband funding for deployment
  - Compensation provisions with a broad list of gross revenue categories and a PEG fee that supports sustainable PEG channel operation.
  - PEG channel requirements that ensure viable, high quality, delivery of public, educational and governmental multimedia communications.

# No Local Franchising

- When a local government doesn't have local franchising authority:
  - Assess the authority you do have and use it.
  - For example, require ROW Use agreements with the highest allowable compensation to ensure the continued integrity of the ROW.
    - Obtain compensation which at least recovers all your related costs.

# No Local Franchising

- Are you able to develop local ordinances related to consumer protections that will not only cover the cable operators' provision of service, but that of other users of the ROW?

# No Local Franchising

- Enforce codes, and adopt new ones where you have the authority, to ensure continued integrity of the ROW, including:
  - Compliance with the NEC and NESC.
  - Compliance with building codes.
  - Compliance with allowable provisions that promote aesthetics.

# No Local Franchising

- Where you're preempted by the state, push the state to respond to problems, concerns, and issues through the mechanisms that local governments have, including through your state representatives.
  - As an example, New Jersey has a two-tiered system where the state has many overarching preemptive provisions, and only municipal consent agreements are required in some cases.
  - A number of local governments in New Jersey had problems with Altice related to its infrastructure and its lack of required system build out of FTTP upgrades, and by coordinating, got the State Board of Public Utilities (BPU) to react and respond to problems and get infrastructure built.

# Public, Educational and Governmental Video

- A majority of people prefer to watch video as the way to access news and information.
- If you have a Government Access Channel:
  - Use it. You will reach a portion of your community that otherwise will be more challenging to reach.

# Public, Educational and Governmental Video

- If your community has an active Public Access Channel
  - Support their efforts. It will help empower your community.
- If your community has an Educational Access Channel:
  - Encourage educational entities to use it.
    - A good example is TV ETC in Vancouver and Clark County, WA. They are a consortium of local school districts in that area that continue to have a strong focus on both their cable and online presence. They have unusually high rates of support for a wide range of bond referendums, and they indicate that their outreach via cable contributes to their support.



# Public, Educational and Governmental Video

- Whether you do or don't have PEG Access Channels:
  - Make sure that you have a strong focus on video in your online communications. It will boost the spread of your message and the effectiveness of your outreach.
  - Make sure your programming reflects community organizations that you work with. This will extend both your and their outreach and ultimately facilitate more integration into your community.

# Conclusion

- “Keep on keepin’ on” as long as you can.
- Use the authority you do have effectively.
- Coordinate with other local governments and push for state enablements (or at least active state oversight) that benefits you and your community.

Thank You!

