

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 10/7/2014	(3) CONTACT/PHONE John Diodati, Department Administrator (805) 788-2832	
(4) SUBJECT Submittal of a resolution consenting to change control of the Cable Television Franchise from Charter Communications to Comcast Corporation. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached resolution consenting to change control of the Cable Television Franchise from Charter Communications to Comcast Corporation.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 14OCT07-C-7

County of San Luis Obispo



TO: Board of Supervisors
FROM: Public Works
John Diodati, Department Administrator
VIA: Dave Flynn, Interim Director of Public Works
DATE: 10/7/2014

SUBJECT: Submittal of a resolution consenting to change control of the Cable Television Franchise from Charter Communications to Comcast Corporation. All Districts.

RECOMMENDATION

It is recommended that the Board adopt the attached resolution consenting to change control of the Cable Television Franchise from Charter Communications to Comcast Corporation.

DISCUSSION

Charter Communications (Charter) entered into a ten year non-exclusive cable system franchise agreement with the County of San Luis Obispo (County) on March 1, 2005. On March 1, 2015, this franchise will expire and Charter has indicated they will pursue their legal right to change to a State Video Franchise under the Digital Infrastructure and Video Competition Act of 2006 (DIVCA). Only the City of Atascadero and the County still have a local franchise; all other cities in San Luis Obispo County are currently operating under a DIVCA franchise.

On June 17, 2014, Comcast Corporation (Comcast) notified the County that they were seeking transfer of Charter's franchise into their name. This transfer is part of a much larger cable merger involving Comcast and Time Warner, which is still subject to Federal Communications Commission (FCC) approval at the federal government level. It is anticipated this approval could take up to a year.

Upon receiving notice on June 17, which included the required FCC Form 394 (attached), the County is obligated under FCC guidelines to consent to or deny the proposed transfer within 120 days. While the actual merger may not occur until Charter has a DIVCA franchise, the County is required to render an opinion by October 14, 2014. County Code Chapter 6.48, "Community Antenna Television Franchise," provides additional guidance on how a franchise transfer is approved. Staff has worked with County Counsel to ensure compliance with this section, which includes the attached affidavit from Charter clarifying that a 2011 name transfer was consistent with County Code. Additionally Staff

considered the legal, financial and technical qualifications of the prospective transferee or controlling party; any potential impact of the transfer on subscriber rates or services; whether the incumbent cable operator is in material compliance with its franchise, and if not any commitments to cure such noncompliance; whether the transfer or change of control may eliminate or reduce competition in the delivery of cable service in the county; and whether approval of the transfer or change of control would otherwise materially adversely affect subscribers, the public, or the county's interest under this chapter, the franchise agreement, or other applicable law.

Approval of the resolution will not result in an immediate transfer, nor guarantee of transfer, from Charter to Comcast. As noted above, staff is only responding to the time constraints required under FCC regulations. It is anticipated that Comcast will eventually, after final federal approval, obtain a franchise to provide cable services in the County under a DIVCA franchise.

OTHER AGENCY INVOLVEMENT/IMPACT

Staff worked with County Counsel and the Administrative Office on this item.

FINANCIAL CONSIDERATIONS

There should be no financial impact. Regardless of what company holds the franchise, they are required to pay five percent (5%) of gross revenues in franchise fees and one percent (1%) in PEG (Public Education Government) fees. On average, Charter pays approximately \$700,000 in franchise fees and \$140,000 in PEG fees per year.

RESULTS

Approval of the recommended action will allow the County to meet its statutory deadline. The continuance of franchise fees and PEG funds will continue to enhance educational programs and government broadcast for the community. This will facilitate a livable and well-governed community that is enriched through learning and participation.

File: CF 130.180.04 Charter - General

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ATTACHMENTS

1. FCC 394
2. Charter Affidavit
3. Resolution – An Ordinance of the County of San Luis Obispo Consenting to Change of Control of Cable Television Franchise