

*MidCoast Community Council  
Post Office Box 64  
Moss Beach, CA 94038*

March 15, 1995

San Mateo County Board of Supervisors  
Mr. Ted Lempert, President  
County Government Building  
401 Marshall Street  
Redwood City, CA 94063

Re: Franchise Agreement with Coastside Cable TV

Dear President Lempert:

We were very pleased to learn that the County, MCTV, Coastside Cable and the City had agreed just the day before to agree on the terms of a franchise agreement.

The MidCoast Council feels strongly that the opinions of the people, our neighbors are best served by an open and accessible television station. The open access through the PEG terms requires protecting and in this case hard negotiating. We are satisfied that the negotiations have been hard and evenhanded. We support the best deal that MCTV can get.

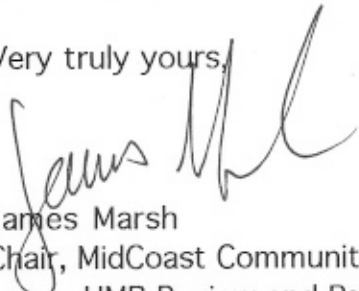
The MidCoast Council voted to recommend the franchise agreement with the three small amendments as described by Ms. Malloch of MCTV:

- a An audit of past fees will determine if they need be brought current
- b Protect the purchase of replacement equipment
- c Adjustment should leased space be unavailable in 1998

Additionally, Ms. Malloch expressed the concern that the parallel agreement between the County and MCTV be concluded the same day as the County - Coastside Cable franchise agreement.

We appreciate the hard work and long hours put in by all those involved, led by Mr. Callahan of DPW. All parties appeared satisfied with the agreement.

Very truly yours,

  
James Marsh  
Chair, MidCoast Community Council  
cc HMB Review and Pacifica Tribune

**Department of Public Works**



**COUNTY OF SAN MATEO**

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January 6, 1995

Mr. Jim Marsh, Chairman  
Mid-Coast Community Council  
P.O. Box 64  
Moss Beach, CA 94038

Dear Mr. Marsh:

Enclosed are the eight copies of the proposed franchise renewal with Coastside Cable T.V., that you requested.

The following is a summary of the major features of the proposed new agreement:

**Term**

The franchise agreement is for five years with an automatic ten year extension if the system upgrade is completed within 36 months. The agreement is non-exclusive, meaning that the County could, at any time, grant another Cable operator a franchise to serve the same area.

**System Upgrade**

Coastside Cable would construct a system capable of offering 80 channels. The system would have a fiber optic backbone to the service area and the capability to offer two-way, interactive services in the future. The upgrade would be complete within 36 months of the effective date of the franchise renewal.

This upgrade would result in more channels, improved picture quality, greater system reliability and be able to support two-way interactive services in the future.

### Customer Service Standards

The agreement sets customer service standards, such as, answering calls within a certain number of rings, responding to outages within specified time frames and scheduling installations and other service calls within a four hour time period. Coastside would be required to meet these standards 95 percent of the time.

Failure to meet the customer service standards could result in a fine of \$100/day and ultimately, if they fail to correct the problem, termination of the franchise agreement.

### Public, Educational and Government (PEG) Access

Coastside would provide free installation and basic service to the public buildings identified in the agreement.

Coastside would continue to provide one channel for PEG programming. Up to two additional PEG channels would be provided when existing PEG channels are cablecasting at least 80 hours of unduplicated programming per month.

The County would have the option of placing a PEG access assessment on the subscribers cable bill of up to 1 percent for the first five years and up to 1 1/2 percent for the remaining ten years of the agreement to fund PEG access equipment or facilities.

### CABLE RATES

The proposed franchise agreement does not cover cable rates. Cable rates are regulated under Federal Communication Commission (FCC) rules.

For rate regulation purposes the FCC defines three service tiers:

1. Basic Service Tier

The basic service tier, which may be regulated by the local franchising authority, includes off-air broadcast stations (transmission signal taken "off" the airwaves) such as, KPIX, KGO, KTVU, and KCSM. Cable operators may include other programming at their discretion.

2. Expanded Service Tier

The expanded service tier includes satellite programming such as CNN, ESPN, MTV, and A&E. Rates for this tier are regulated by the FCC.

3. Premium Channels

The premium channel tier includes HBO, Showtime and Pay-Per-View events. The premium channels are not subject to rate regulation.

Cable companies have the option of using either the "benchmark" or "cost of service" methods for determining the maximum rates that they can charge. Most cable operators choose the benchmark approach which employs a formula provided by the FCC. The Cable company inserts the data called for by the form and the maximum permitted rate is automatically calculated. The cost of service method involves demonstrating the actual cost to provide the service and is far more complicated and subject to interpretation.

Coastside Cable T.V., chose to use the "cost of service" option. In November the County petitioned the FCC requesting that they review and make a determination on Coastside's cost of service rate computation. So far the FCC has not acted upon the County's request. Meanwhile, Coastside Cable T.V.'s basis service rates are frozen.

I look forward to reviewing these matters with the Mid-Coast Community Council on January 25, 1995 and obtaining community comments on the cable service and proposed franchise renewal.

Sincerely,



Walter Callahan  
Deputy Director

cc: Supervisor Ted Lempert