



To: MAYOR AND CITY COUNCIL

Agenda Item #: VI.A.

From: Scott H. Neal, City Manager

Action

Discussion

Date: May 6, 2015

Information

Subject: PUBLIC HEARING – Consideration Of Applications Received For A Cable Communications Franchise

Action Requested:

Conduct a Public Hearing on a Request for Consideration Of Applications Received For A Cable Communications Franchise.

Information / Background:

The City has received a request from CenturyLink for a non-exclusive cable communication franchise. The first action necessary for the City to process this request is for the City Council to conduct a public hearing on the proposal. At the April 25, 2015 meeting, the City Council scheduled a public hearing for the request for May 6, 2015. Mr. Brian Grogan, legal counsel and administrator of the Southwest Cable Commission, will attend the May 6 Council meeting to assist the City Council with this matter.



CenturyLink nears approval for cable TV in Minneapolis

Article by: Eric Roper

Star Tribune

April 27, 2015 - 7:45 PM

As it seeks to compete with Comcast cable TV in Minneapolis, CenturyLink is pledging to make its service available to at least 15 percent of the city within the next two years.

Under a plan that won initial approval from a City Council panel Monday, CenturyLink would initially deploy its PRISM TV service on a limited basis to parts of all 13 wards in the city. The goal is to reach the entire city within five years, though it is not a commitment.

The Minneapolis franchise is one of many CenturyLink is seeking across the Twin Cities area; it has also applied for franchise agreements in several suburbs.

Precisely where PRISM will initially roll out in Minneapolis remains a mystery — the company claims it is a trade secret. But under the agreement, the area must include a significant number of households below the city's \$49,560 median income.

The 15 percent initial rollout is a step down from earlier expectations that the service would reach 30 percent of the city within two years. But starting in 2016, the company will have to expand service further if it proves popular with customers.

The franchise agreement will go to the full City Council for a final vote on May 15.

"I think overall, having another cable service provider in the city is going to be helpful for residents, in terms of lowering the cost of service and providing additional channels," said Council Member Andrew Johnson.

Those testifying Monday were largely supportive of the plan, particularly CenturyLink's commitment to providing culturally diverse programming — not a component of Comcast's agreement.

CenturyLink also committed to provide all city channels in HD. Viewers would access those public meetings and other programs through a selection screen — known as the "Minneapolis Mosaic" on channel 14.

The franchise agreement would last only five years, compared to Comcast's 12-year agreement, allowing the city revisit the terms.

"It gives a short time period for CenturyLink to really act out its values and also act out the values of the city of Minneapolis," Council Member Blong Yang said. "And after five years we can go back to the negotiating table to see whether they've done what they've promised to do."

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City of Minneapolis
Cable Officer Report
On
CenturyLink Cable Franchise Application

By

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Michael R. Bradley, Bradley Hagen & Gullikson, LLC

March 13, 2015

Executive Summary

This Report addresses the application for a cable television franchise to Qwest Broadband Services, Inc., doing business as CenturyLink (“CenturyLink”), a wholly owned subsidiary of CenturyLink, Inc. and its subsidiaries. CenturyLink filed a franchise application with the City of Minneapolis (the “City”) on January 20, 2015 asking the City to grant the company a franchise to provide cable services within the territorial boundaries of the City.

The City held a public hearing on February 23, 2015, before the Ways and Means Committee. The public hearing remained open until February 27, 2015, to allow the public additional time to comment on the application, at which time the public hearing closed. Following the close of the public hearing, the Cable Officer commenced review of the application. Peter Ginder, Deputy City Attorney, and Mike Bradley of Bradley Hagen & Gullikson, LLC, long-time outside counsel to the City on cable franchising matters, assisted the Cable Officer in the review and drafting of this Report.

Upon review of the public record on CenturyLink’s application materials, it is the Cable Officer’s recommendation that staff now be directed to negotiate a cable franchise with CenturyLink, consistent with this Report. The Cable Officer anticipates that the resulting competition between CenturyLink and Comcast will benefit cable subscribers through better service, lower rates, and improved programming choices.

It is recommended that any CenturyLink cable franchise contain commitments that taken as a whole are comparable (but not necessarily identical) to those in the existing cable franchise. This approach should permit the City to promote its interest in developing competition for cable service, while preventing CenturyLink or the incumbent cable franchise holder, Comcast, from obtaining an unfair competitive advantage. A cable franchise is a valuable privilege to use the public rights to provide residents cable service. Any franchise, while recognizing that CenturyLink would be the second wire-line franchised cable operator, must adequately address the following issues:

- Adequate protections to the public to prevent economic redlining or “cherry picking.”
- The provision of culturally diverse programming.
- Fair and Reasonable build-out requirements with the goal of CenturyLink providing competitive cable services throughout the entire City within a reasonable time and in an equitable manner.
- Provisions consistent with Level Playing Field requirements under applicable law addressing:
 - Area to be served
 - Public, Educational, and Governmental (“PEG”) Television
 - Payment of a Franchise Fee to the City
- Indemnification from any litigation resulting from the grant of a franchise.

If the Cable Officer’s recommendation is adopted by the City Council, City staff should be directed to commence negotiating a cable franchise with CenturyLink immediately. The City Council should issue a notice of intent to award a cable franchise by ordinance. Once a cable

franchise ordinance is introduced, a public hearing on the ordinance will be scheduled before the Ways and Means Committee. The City Council may act on the cable franchise ordinance any time seven days following the public hearing on the cable franchise ordinance. At the time of the City Council decision to award a cable franchise by ordinance or to deny the award of a cable franchise, it will need to make findings of fact in support of its decision.

Section 1 The CenturyLink Application and Public Record

In the summer of 2014, CenturyLink publically announced that it would begin offering 1 Gig internet service in the City of Minneapolis and the surrounding cities in the Twin Cities area. Shortly afterwards, CenturyLink approached the City of Minneapolis about obtaining a cable franchise. In December, 2014, CenturyLink informed City staff that it was prepared to apply for a cable franchise with the City. The City then published a Notice of Intent to Franchise in compliance with the Minnesota Cable Act.¹ See **Exhibit 1**.

CenturyLink submitted a timely franchise application on January 20, 2015, to the City. See **Exhibit 2**. The City issued a request of information, to which CenturyLink responded. See **Exhibits 3 and 4**. A public hearing was held before the Ways and Means Committee on February 23, 2015, where additional public testimony and comments were received by the City. See **Exhibits 5 – 8**.² The purpose of this report is to review the CenturyLink application in light of the public record and recommend whether City staff should be directed to negotiate a cable franchise with the company.

Section 2 Impact of Competition on Consumers and Challenges to New Entrant

The Federal Communications Commission (“FCC”) is the expert agency in the country on communications issues. It has addressed the impact of competitive cable franchises on consumers. The FCC recognized that, “[n]ew competitors are entering markets for the delivery of services historically offered by monopolists: traditional phone companies are primed to enter the cable market, while traditional cable companies are competing in the telephony market.”³ According to the FCC, both traditional cable and traditional phone companies are projected to offer customers a “triple play” of voice, high-speed Internet access, and video services over their respective networks. *Id.* When a traditional phone company enters into the marketplace the FCC has found,

[C]ompetition for delivery of bundled services will benefit consumers by driving down prices and improving the quality of service offerings.

Id. at para. 2 (emphasis added). Last year, the FCC found that average prices in communities with effective competition increased less than in communities without effective competition. See *Report on Cable Industry Prices*, DA 14-672, at ¶ 4 (Rel. May 16, 2014). The *Report on Cable Industry Prices* found the price per channel for expanded basic service is 13.5 percent lower in effective competition areas. *Id.* at ¶ 16.

¹ See Minnesota Statutes Chapter 238.

² The Public Hearing can be viewed at: <https://www.youtube.com/watch?v=ZgCoFZanYgY>

³ See *In the Matter of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992*, Report and Order and Further Notice of Proposed Rulemaking, MB Docket No. 05-311, at ¶ 2 (Rel. March 5, 2007) (the “621” Order) (the “621 Order”). The 621 Order is attached as **Exhibit 9**. The 621 Order was upheld on appeal. See *Alliance for Community Media v. FCC*, 529 F.3d 763 (6th Cir. 2008), attached as **Exhibit 10**.

The FCC has also recognized some of the challenges of being the second cable operator in the marketplace. In its *621 Order*, the FCC found,

[T]he circumstances surrounding competitive entry are considerably different than those in existence at the time incumbent cable operators obtained their franchises. Incumbent cable operators originally negotiated franchise agreements as a means of acquiring or maintaining a monopoly position.

...
[A second] entrant cannot assume that it will quickly -- or ever -- amass the same number or percentage of subscribers that the incumbent cable operator captured.

621 Order at ¶ 26 (emphasis added, footnotes omitted). Applicants for competitive cable franchises, unlike an incumbent cable provider, “do not have the promise of revenues from video services to offset the costs of such deployment.” *621 Order* at ¶ 3. The competitor faces “financial risk” and “uncertainty” when entering the market. *Id.* at ¶ 28.

Section 3 The Incumbent Franchised Cable Operator – Comcast

The history of cable franchising within the City goes back to the 1970s. The City initially granted a cable communications franchise to Northern Cablevision of Minneapolis, Inc. (“Northern Cablevision”) in 1979 by enacting ordinance 79-OR-263. In 1982, the City divided the City’s cable franchise into two areas, with Northern Cablevision (d/b/a Storer) and Minneapolis Cablesystems (d/b/a Rogers) each granted a franchise for approximately one-half of the City’s total geographic area. In 1983, Rogers acquired the Northern Cablevision franchise area, thereafter holding franchise rights for the entire City. *See* 83-OR-320.

Several changes in ownership, structure and name took place after 1983. In 1995, Time Warner Cable became the owner of the franchise, but continued to operate as Paragon Cable pursuant to the enactment of 95-OR-096. In 2000, the franchised operator began doing business as Time Warner Cable. *See* 2000-OR-050. The franchise was transferred to Comcast in 2006. *See* 2006R-371. In 2009 the franchise was renewed. The present franchise ordinance, as amended, is codified in the Minneapolis Code of Ordinances, Appendix H. Earlier this year, the City conditionally approved the transfer of the franchise to GreatLand Connections. *See* 2015R-055. If the conditions in the resolution are met, the Comcast franchise will be transferred to a new company called GreatLand Connections.

When the City initially granted a cable franchise, the cable operator proposed to build out its system throughout the City within 2.5 years. *See* 79-OR-263, Addendum A at p. 9. Due to litigation, construction under the 1979 franchise was delayed. In 1982, the build-out commitment was amended to be completed within 3 years. *See* 82-OR-206, Art. II, Section 3, and Addendum A, Section B; and 82-OR-209, Art. II, Section 3, and Addendum A, Section B. The cable system was substantially completed by 1986. However, by 1985 and 1986, the

incumbent cable operator claimed to have “a cash shortfall substantially in excess of prior projections” and requested and received from the City relief from certain franchise commitments in an effort to “enable Company to achieve financial stability...” *See* 86-OR-164. Since the franchise was granted in 1979, no other cable franchise has been granted in the City.

Section 4 The City’s Authority to Franchise

State law requires that “[a] municipality shall require a franchise or extension permit of any cable communications system providing service within the municipality.” Minn. Stat. § 238.08, Subd. 1(a). The City’s Charter further authorizes the City Council to grant and regulate any lawful franchise. Minneapolis City Charter § 4.1(d). Additionally, a cable service provider must obtain a cable franchise prior to offering cable service. *See* 47 U.S.C. § 541(b)(1).

Section 5 Applicable Federal, State and Local Legal Requirements

The applicable legal requirements for examining an initial franchise application are contained in the Cable Communications Policy Act of 1984, as amended (the “Federal Cable Act”), Chapter 238 of the Minnesota Statutes (the “Minnesota Cable Act”), and the City’s Policies and Procedures Governing Application, Review and Recommendations Regarding Grant of Competitive Cable Franchises (the “Competitive Franchising Policies and Procedures”). Under these requirements, the City cannot unreasonably refuse to award an additional competitive cable franchise, nor may it award an applicant a franchise on material terms that are more favorable or less burdensome than certain terms contained in the City’s existing franchise with Comcast. The specific procedures to be followed in soliciting and reviewing cable franchise applications are contained in the Minnesota Statutes⁴ and the Competitive Franchising Policies and Procedures. Substantive criteria the City may use in evaluating applications are set forth in the Competitive Franchising Policies and Procedures and the Federal Cable Act.

Section 6 Cable Franchise Application Requirements – State and Local

A. The State Cable Franchise Application Process

The Minnesota Cable Act, found in Minnesota Statutes Chapter 238, lays out the process for granting an additional cable franchise. The following is a summary of the franchising process found in Section 238.081:

- **Publication of Notice.** A notice of intent to franchise must be published once a week for two successive weeks in a newspaper of general circulation. The statute identifies the information required in the notice, such as (1) the name of the municipality making the request; (2) the closing date for submission of applications; (3) a statement of the application fee, if any, and the method for its submission; (4) a statement by the franchising authority of the services to be offered; (5) a statement by the franchising

⁴ *See* Minn. Stat. § 238.081, Subd. 1-7.

authority of criteria and priorities against which the applicants for the franchise must be evaluated; (6) a statement that applications for the franchise must contain at least the information required by state law; (7) the date, time, and place for the public hearing, to hear proposals from franchise applicants; and (8) the name, address, and telephone number of the individuals who may be contacted for further information.

- **Written Notice.** In addition to publishing the notice of intent to franchise in one or more newspapers, a franchising authority must mail copies of the notice of intent to franchise to any person it has identified as being a potential candidate for a franchise.
- **Deadline for Application Submission.** A franchising authority must allow at least 20 days from the first date of published notice for the submission of franchise proposals. In other words, the deadline for submitting franchise proposals cannot be earlier than 20 days after the date that a jurisdiction's notice of intent to franchise was first published in a newspaper of general circulation.
- **Contents of franchising proposal.** The Minnesota Cable Act requires all franchise applications be signed in front of a notary and that certain information also be included in all franchise applications. Generally, the information includes:
 - Plans for channel capacity;
 - A statement of the television and radio broadcast signals for which permission to carry will be requested from the Federal Communications Commission;
 - A description of the proposed system design and planned operation;
 - Terms and conditions under which particular service is to be provided to governmental and educational entities;
 - A schedule of proposed rates in relation to the services to be provided, and a proposed policy regarding unusual or difficult connection of services;
 - A time schedule for construction of the entire system with the time sequence for wiring the various parts of the area requested to be served in the request for proposals;
 - A statement indicating the applicant's qualifications and experience in the cable communications field, if any;
 - An identification of the municipalities in which the applicant either owns or operates a cable communications system, directly or indirectly, or has outstanding franchises for which no system has been built;
 - Plans for financing the proposed system;
 - A statement of ownership detailing the corporate organization of the applicant; and
 - A notation and explanation of omissions or other variations with respect to the requirements of the proposal.

- **Public hearing on franchise.** Each franchising authority must hold a public hearing before the franchising authority affording reasonable notice and a reasonable opportunity to be heard with respect to all applications for a franchise.
- **Award of franchise.** Cable franchises may be awarded only by ordinance, after holding any necessary public hearings. A franchise may not be awarded until at least seven days after the public hearing.

B. City's Competitive Franchising Policies and Procedures

The City adopted its "Policies and Procedures Governing Application, Review and Recommendations Regarding Grant of Competitive Cable Franchises," on May 5, 2000 ("Competitive Franchising Policies and Procedures"). *See* City Pet. 265879.1. The Competitive Franchising Policies and Procedures adopted by the City supplement state and federal law.

1. City's Application Requirements

To obtain an initial cable franchise, a written application containing all information required by the Competitive Franchising Policies and Procedures must be filed with the City. Under Section 4, Subd. 1 of the Competitive Franchising Policies and Procedures and state law, the application process is initiated by the City's publication of a Notice of Intent to Franchise that contains the specific requirements governing the submission cable franchise applications. According to the Notice of Intent to Franchise first published by the City on December 23, 2014, all franchise applications were to be filed with the Cable Officer no later than 4:00 p.m. on January 20, 2015.

2. Contents of Application

The City's Competitive Franchising Policies and Procedure largely reflects current State law requirements as listed above. In addition to the provision in State law, the Competitive Franchising Policies and Procedure also require the following:

- A statement that applicant seeks to construct a Cable System and to provide Cable Services within the City;
- The name, address, address and telephone number of the individuals who may be contacted for further information;
- Plans for the provision of institutional network capacity and services or other "in-kind" services and the terms, conditions and technical standards under which particular service is to be provided to governmental, educational, and other institutional entities;
- A list of all institutions receiving institutional network service;
- A schedule of proposed rates in relation to the services to be provided, and a proposed policy regarding unusual or difficult connection of services;
- An agreement to pay the City a franchise fee in the same percentage of gross revenues as the incumbent provider(s);

- Indemnification language; and
- an application fee.

Section 7 Federal Law

A. The Federal Cable Act

As the FCC noted in its *621 Order*, local franchising authorities may not unreasonably deny an additional competitive franchise to potential competitors who are ready and able to provide service in order “[t]o encourage more robust competition in the local video marketplace...” See *621 Order* at ¶ 7; and 47 U.S.C. § 541(a)(1). In awarding a franchise, a local franchising authority may establish construction schedules and construction requirements,⁵ and may require adequate assurances that an applicant:

1. Will provide adequate public, educational and governmental access channel capacity, facilities or financial support; and
2. Possesses the financial, technical and legal qualifications to provide cable service.

47 U.S.C. § 541(a)(4)(B)-(C).

A local franchising authority must also allow an applicant’s cable system a reasonable period of time to become capable of providing cable service to all households in the franchise area. 47 U.S.C. § 541(a)(4)(A). Additionally, in awarding a franchise, a local franchising authority must assure that access to cable service is not denied to any group of potential residential cable subscribers because of the income of the residents of the local area in which such group resides. 47 U.S.C. § 541(a)(3). Stated differently, a local franchising authority cannot allow a cable service provider to engage in economic redlining or “cherry-picking.”

B. The FCC’s *621 Order* – Competitive Cable Franchising

In 2007, the Federal Communications Commission (the “FCC” or the “Commission”) released a *Report and Order and Further Notice of Proposed Rulemaking* addressing competitive cable franchising.⁶ It is sometimes referred to as the “*621 Order*” because it addresses the implementation of Section 621(a)(1) of the Federal Cable Act.⁷ Section 621(a)(1), among other things, prohibits franchising authorities from unreasonably refusing to award competitive cable franchises.

⁵ See 47 U.S.C. § 552(a)(2).

⁶ See FN 3.

⁷ Section 621(a)(1) is codified at 47 U.S.C. § 541(a)(1).

C. FCC 621 Order – Applicability to State Laws

By its terms, the *621 Order* applies only to new entrants.⁸ According to the FCC, the *621 Order* does “not preempt state law or state level franchising decisions . . .”⁹ Rather, the FCC “expressly limit[ed] . . . [its] findings and regulations in this *Order* to actions or inactions at the local level where a state has not specifically circumscribed the LFA’s authority.”¹⁰ In this regard, local laws, regulations, practices and agreements are preempted to the extent that they conflict with the FCC’s rules or guidance adopted in the *621 Order* and are not “specifically authorized by state law.”¹¹ The FCC recently clarified the *621 Order* in *Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992*, Order on Reconsideration (Rel. Jan. 21, 2015) (“We clarify that those rulings were intended to apply only to the local franchising process, and not to franchising laws or decisions at the state level”).¹²

D. 621 Order – Impact of Build-out Requirements on Competition and Consumers

The FCC has concluded that in many cases, build-out requirements “deter competition and deny consumers a choice.” *621 Order* at ¶ 37. Additionally, build-out mandates may also may directly contravene the goals of Section 706 of the Telecommunications Act of 1996, which requires the FCC to “remov[e] barriers to infrastructure investment” to encourage the deployment of broadband services “on a reasonable and timely basis.” *Id.* at ¶ 41.

The FCC has recognized that “build-out issues are one of the most contentious between LFAs and prospective new entrants, and that build-out requirements can greatly hinder the deployment of new video and broadband services.” *621 Order* at ¶ 31. According to the FCC large incumbent local exchange carriers (“LECs”), “view build-out requirements as the most significant obstacle to their plans to deploy competitive video and broadband services.” *Id.* While an incumbent LEC already has telecommunications facilities deployed over large areas, it still must upgrade its existing plant to enable the provision of video service, which often requires a significant investment of capital. *Id.* at ¶ 38.

The FCC also found in its *621 Order* that build-out requirements can substantially reduce competitive entry.” *Id.* at ¶ 32. According to the FCC,

Build-out requirements can deter market entry because a new entrant generally must take customers from the incumbent cable operator, and thus must focus its efforts in areas where the take-rate will be sufficiently high to make economic sense. Because the second provider realistically cannot count on acquiring a share of the market similar to the incumbent’s share, the second entrant cannot justify a large initial deployment. Rather, a new entrant

⁸ See, e.g., *621 Order* at ¶¶ 18 and 139.

⁹ *Id.* ¶ 126.

¹⁰ *Id.* at ¶ 1, n. 2.

¹¹ *621 Order* at ¶ 126.

¹² See **Exhibit 11**, at ¶ 7.

must begin offering service within a smaller area to determine whether it can reasonably ensure a return on its investment before expanding.

621 Order at ¶ 35 (Footnotes omitted). Therefore,

Due to the risk associated with entering the video market, forcing new entrants to agree up front to build out an entire franchise area too quickly may be tantamount to forcing them out of -- or precluding their entry into -- the business.

621 Order at ¶ 35 (Footnotes omitted). In analyzing the impact of build-out requirements on consumers, the FCC found that in many cases it adversely affects consumer welfare. 621 Order at ¶ 36. The Department of Justice commented that “imposing uneconomical build-out requirements results in less efficient competition and the potential for higher prices. *Id.* Non-profit research organizations the Mercatus Center and the Phoenix Center each concluded that ***build-out requirements imposed on competitive cable entrants only benefit an incumbent cable operator.*** *Id.* Historically, the greatest difference in pricing occurred, where there was wireline overbuild competition. In those situations, average monthly cable rates were 20.6 percent lower than the average for markets deemed noncompetitive. *Id.*

E. FCC 621 Order - Federal Preemption of Unreasonable Build-Out Mandates

In the 621 Order, the FCC declared “it is unlawful for LFAs to refuse to grant a competitive franchise on the basis of unreasonable build-out mandates.”¹³ The 621 Order does not expressly prohibit full municipal build-out requirements, if they are reasonable (which will depend on local circumstances). Although the FCC did not definitively define what constitutes an “unreasonable build-out” mandate, it did list examples of both reasonable and unreasonable build-out requirements.

a. Examples of Unreasonable Build-Out Requirements.

The FCC’s examples of unreasonable build-out mandates include:

- requiring a new entrant to serve everyone in a franchise area before it has begun to serve anyone;
- requiring facilities-based entrants, such as incumbent LECs, to build out beyond the footprint of their existing facilities before they have even begun to provide cable service;
- requiring more of a new entrant than an incumbent cable operator by, for instance, requiring the new entrant to build out its facilities in a shorter period of time than that afforded to the incumbent;

¹³ 621 Order at ¶ 89.

- requiring the new entrant to build out and provide service to areas of lower density than those that the incumbent cable operator is required to build out to and serve;
- requiring a new entrant to build out to and service buildings or developments to which the entrant cannot obtain access on reasonable terms or which cannot be reached using standard technologies; and
- requiring a new entrant to build out to and provide service to areas where it cannot obtain reasonable access to and use of public rights-of-way.¹⁴

b. Examples of Reasonable Build-Out Requirements.

The FCC notes that it would seem reasonable for a local franchising authority to consider benchmarks requiring the new entrant to increase its build-out after a reasonable time, taking into account the new entrant’s market success.¹⁵ The FCC also opined that it would seem reasonable to establish build-out requirements based on a new entrant’s market penetration.¹⁶

F. 621 Order - PEG and Institutional Networks

The *621 Order* concludes that “LFAs may not make unreasonable demands of competitive applicants for PEG and I-Net” and that doing so constitutes an unreasonable refusal to award a franchise.¹⁷ With regard to PEG channel capacity, the FCC determined that it would be unreasonable “to impose on a new entrant more burdensome PEG carriage obligations that it has imposed on the incumbent cable operator.”¹⁸ Overall, the FCC found that PEG support must be both “adequate and reasonable.”¹⁹ Adequacy is defined by the FCC as “satisfactory or sufficient.”²⁰ The *621 Order* does provide some examples of unreasonable PEG and Institutional Network support obligations,²¹ including:

- Completely duplicative PEG and I-Net requirements;²²
- Payment of the face value of an I-Net that will not be constructed; and
- Requirements that are in excess of the incumbent cable operator’s obligations.

¹⁴ *Id.* at ¶¶ 89-90.

¹⁵ *Id.* at ¶ 89.

¹⁶ *Id.*

¹⁷ *Id.* at ¶ 110.

¹⁸ *Id.* at ¶ 114.

¹⁹ *Id.* at ¶ 115.

²⁰ *Id.* at ¶ 112.

²¹ *Id.* at ¶ 119.

²² The *621 Order* does appear to say that duplication is permissible if required for public safety purposes. *Id.* In addition, the FCC clarified that “an I-Net requirement is not duplicative if it would provide additional capability or functionality, beyond that provided by existing I-Net facilities.” *Id.*

According to the FCC, *pro rata* cost sharing of current (as opposed to future) PEG access obligations is *per se* reasonable.²³ In the event that *pro rata* cost sharing is utilized, PEG programming providers must permit a new entrant to interconnect with existing PEG video fees.²⁴ The new entrant must bear the cost of interconnection.

G. FCC 621 Order – Local Level Playing Field Requirements

Local level playing field requirements are generally preempted by the *621 Order*.²⁵ This could mean that level playing field provisions (commonly called “Competitive Equity” in local Comcast franchises) included in existing cable franchise ordinances are preempted.

Section 8 State and Local Law

A. State Level Playing Field Statute

While under federal law, a franchising authority may not unreasonably refuse to award an additional competitive franchise, Minnesota state law further restricts a franchising authority's ability to franchise with a level playing field provision that reads as follows:

No municipality shall grant an additional franchise for cable service for an area included in an existing franchise *on terms and conditions more favorable or less burdensome than those in the existing franchise pertaining to:*

- (1) *the area served;*
- (2) *public, educational, or governmental access requirements;*
or
- (3) *franchise fees.*

Nothing in this paragraph prevents a municipality from imposing additional terms and conditions on any additional franchises.

Minn. Stat. § 238.08, subd. 1(b) (emphasis added). This language does not mean that the language or terms of a franchise must be the same between competitors. *See WH Link, LLC v. City of Otsego*, 664 N.W.2d 390, 396 (Minn. Ct. App. 2003) (more favorable or less burdensome interpreted as “substantially similar”).

²³ *621 Order* at ¶ 120.

²⁴ *Id.*

²⁵ *Id.* at ¶ 138.

B. The 5-Year Build Statute

The Minnesota Cable Act also has a section that addresses franchise requirements for all local franchises. One of those provisions requires:

- (m) a provision in initial franchises identifying the system capacity and technical design and a schedule showing:
 - (1) that construction of the cable communications system must commence no later than 240 days after the granting of the franchise;
 - (2) that construction of the cable communications system must proceed at a reasonable rate of not less than 50 plant miles constructed per year of the franchise term;
 - (3) that ***construction throughout the authorized franchise area must be substantially completed within five years*** of the granting of the franchise; and
 - (4) that the requirement of this section be waived by the franchising authority only upon occurrence of unforeseen events or acts of God;

See 238.085, Subd. 1(m) (emphasis added). It is the position of CenturyLink that the 5-Year Build Statute is a barrier to entry and is preempted by the Federal Cable Act. *See* Exhibit 3 at ¶¶ 28-31 and Section 11(C) below.

C. City Charter and Comcast Cable Franchise

In addition to Federal and State law, local law also must be considered. The local laws applicable to the application for an additional franchise are the City Charter, the Cable Franchising Policy, and the current franchise with the incumbent franchised cable operator, Comcast.

The City's Charter further authorizes the City Council to grant and regulate any lawful franchise. Minneapolis City Charter, Section 4.1(d). The Comcast cable franchise addresses competitive franchises in section 2.5, which states:

If any laws, rules, regulations or government authorizations would allow a provider of multi-channel video programming or equivalent in the City's rights-of-way to provide multi-channel video programming or equivalent under less burdensome regulations or regulatory structure than Grantee is operating under, the obligations of this Agreement shall be modified to reflect such changes.

Section 9 Issues Raised by the Public

A. Economic Redlining or Cherry Picking.

The majority of the testimony at the Public Hearing and comments submitted to the City related to how CenturyLink would determine where it would provide cable service. For example, Pete Rhodes did not object to competition, but raised concerns about “fair and equitable distribution.” *See* Exhibit 8 at p. 2. Similarly, Pastor Billy G. Russell supported broader competition, but was concerned about the service being available to only 30 percent of the City at the initial launch. *See* Exhibit 8 at p. 3. Pastor Russell supported “equitable service deployment” and adherence to “current franchise requirements.”

A group of “active advocates” echoed concern over the provision of service to 30% of the City. The group stated,

“We feel that this type of an agreement would allow CenturyLink to decide who gets service and could leave behind those that might not have a lot of resources. ***We are also concerned that there is no guarantee this competitive option would ever be made available to the remaining 70% of the City.***”

See Exhibit 8 at p. 5. The group urged the City to “continue with your commitment to equity.” Another commenter was concerned that CenturyLink would not release information and locations for their rollout and that only CenturyLink believed that Federal law preempted state law. *See* Exhibit 8 at p. 9.

Other commenters were supportive of CenturyLink’s initial service offering to 30% of the City. As one commenter stated,

“Even if CenturyLink is only [serving] 30[%] of the homes to start it will still put Comcast on notice. Both companies competing means the consumer wins!”

See Exhibit 8 at p. 11. Another commenter stated “it is about time that another company gives the public some choice” and urged the City to “grant [CenturyLink] a cable franchise even if only part of the City benefits to start with.” *See* Exhibit 8 at p. 10. Mona Meyer on behalf of the Communications Workers of America (“CWA”) supported bringing a “competitive alternative to the market.” Andy Thompson, another commenter stated, ***CenturyLink should be “pressured to offer their service to all Minneapolis residents over time,” but “incoming competition needs to be given the opportunity to gain a foothold before expanding.”*** According to Mr. Thompson, “competition and choice will always be better for the consumer than no competition.” Exhibit 8 at p. 7.

B. Culturally Diverse Programming

Both Mr. Rhodes and Pastor Russell commented on the importance of culturally diverse programming. *See* Exhibit 8 at pp. 2-3.

C. Investment in the City

Ms. Meyer on behalf of the CWA also commented on the benefits of increased investment in the City. According to Ms. Meyer, the City would see “greater investment in broadband services to homes and businesses...” *See* Exhibit 8 at p. 7.

D. Job Growth in the City

Ms. Meyer on behalf of the CWA also supported the CenturyLink application because it would bring “immediate job creation, and a vision for continued job creation through growth.” *See* Exhibit 8 at p. 7. Mr. Thompson wrote, “I work at home... and I have no doubt this service would help my business day-to-day.”

E. Issues Raised by the Incumbent Franchised Cable Operator - Comcast

A representative from Comcast submitted a letter into the record at the public hearing that raised the following issues:

- Concern “regarding whether and to what extent [CenturyLink] will agree to many of the franchise obligations that have been required of Comcast.” Exhibit 5 at p. 2.
- An expectation that “the same level of due diligence and scrutiny that the City would apply-and has applied-to Comcast and its predecessors will also be applied to CenturyLink. *Id.*”
- Concern with “CenturyLink’s build-out commitment that appears to stand in direct conflict with state law. *Id.*”

Comcast also indicated that CenturyLink’s record in other markets raised a concern that CenturyLink’s build-out will be based upon income considerations of the selected areas. Exhibit 5 at p. 3. At the public hearing, Mr. Campbell of CenturyLink challenged Comcast to submit evidence to prove that statement.²⁶ No proof of that statement was submitted.

In raising one of the issues above, Comcast suggested that the competitive franchise application process should essentially be the same as prior Comcast renewals and transfers. *See* Exhibit 5 at p. 2. However, the FCC in its *621 Order* found,

[I]ncumbent cable operators’ purported success in the franchising process is not a useful comparison in this case. Today’s large MSOs obtained their current franchises by either renewing their preexisting agreements or by merging with and purchasing other

²⁶ *See* Public Hearing at 35:15 mark.

incumbent cable franchisees with preexisting agreements. For two key reasons, their experiences in franchise transfers and renewals are not equivalent to those of new entrants seeking to obtain new franchises. First, *in the transfer or renewal context, delays in LFA consideration do not result in a bar to market entry*. Second, in the transfer or renewal context, the LFA has a vested interest in preserving continuity of service for subscribers, and will act accordingly.

621 Order at ¶ 29 (Footnotes omitted). The City is following the process set forth in Minnesota Statutes Section 238.081. The statute does not include considering an incumbent's prior renewals and transfers.

Section 10

Review of CenturyLink Cable Franchise Application

The Cable Officer is the City officer responsible for reviewing cable franchise applications. Pursuant to the Competitive Franchising Policies and Procedures, the Cable Officer is required to prepare a report and recommendation (the "Report") within 15 days of the close of the public hearing on the franchise application. This report and recommendation will be filed timely with the City Clerk. The Cable Officer has reviewed the application and the entire public record, as well as all relevant factors and applicable federal, state and local standards for reviewing a cable franchise application.

1. The City has substantially complied with state and City cable franchising application requirements.

Publication of Notice. The City fully complied with the state requirements (listed above) for publishing a notice of intent to franchise. See **Exhibit 1** (Notice of Intent to Franchise, Finance & Commerce, Inc.). There were no objections to the City's publication of the notice of intent to franchise.

Written Notice. In addition to publishing the notice of intent to franchise in one or more newspapers, the City also mailed copies of the notice of intent to franchise person it identified as being a potential candidate for a franchise. There were no objections to the City's provision of written notice to potential candidates for a cable franchise.

Deadline for Application Submission. The City allowed more than 20 days from the first date of published notice for the submission of franchise applications. See **Exhibit 1**. There were no objections to the cable franchise application deadline set by the City.

Public hearing on franchise. The City held a public hearing before the Ways and Means Committee on January 22, 2015, which afforded reasonable notice and a reasonable opportunity to be heard with respect to the CenturyLink cable franchise application. No objections were made concerning the manner in which the City held the public hearing.

Award of franchise. In the event the City Council decides to enter into a franchise agreement with CenturyLink in the future, the City must award the cable franchise by ordinance. In that event, while the City has held a public hearing on the cable franchise application, there will be a subsequent public hearing if a cable franchise agreement is agreed upon and a cable ordinance is introduced. A cable franchise may not be awarded until at least seven days after the public hearing on the cable franchise ordinance.

City's Competitive Franchising Policies and Procedures. The City fully complied with the City's Competitive Franchising Policies and Procedures listed above. *See* Exhibit 1. No objection to the City's process was made at the public hearing. This report is filed to fulfill the requirement that the cable officer submit a report within 15 days of the close of the public hearing. *See* Ex. 8 (Policies) at Section 4, Subdivision 5.

2. CenturyLink's application substantially complies with state application requirements.

Contents of franchising proposal. It was CenturyLink's responsibility to comply with all of the applications requirements in State Law. The application was submitted timely and signed before a notary. *See* **Exhibit 2** (CenturyLink Cable Franchise Application). Upon review of the CenturyLink cable franchise application, CenturyLink has substantially complied with the following State application requirements without objection:

- Plans for channel capacity. *See* Exhibit 2 at p. 1.
- A statement of the television and radio broadcast signals for which permission to carry will be requested from the Federal Communications Commission. *See* Exhibit 2 at p. 1 and Exhibit 3 at ¶ 8.
- A description of the proposed system design and planned operation. *See* Exhibit 2 at pp. 1-2 and Exhibit 3 at ¶¶ 11-16.
- Terms and conditions under which particular service is to be provided to governmental and educational entities. *See* Exhibit 2 at pp. 2-3 and Exhibit 3 at ¶¶ 17-22.
- A schedule of proposed rates in relation to the services to be provided, and a proposed policy regarding unusual or difficult connection of services. *See* Exhibit 2 at p. 3 and Exhibit 3 at ¶¶ 23-27.
- A statement indicating the applicant's qualifications and experience in the cable communications field, if any. *See* Exhibit 2 at pp. 3-4 and Exhibit 3 at ¶¶ 6, and 35-36.
- An identification of the municipalities in which the applicant either owns or operates a cable communications system, directly or indirectly, or has outstanding franchises for which no system has been built. *See* Exhibit 2 at p. 3 and Exhibit 3 at ¶ 37.
- Plans for financing the proposed system. *See* Exhibit 2 at p. 5 and Exhibit 3 at ¶ 38.
- A statement of ownership detailing the corporate organization of the applicant. *See* Exhibit 2 at p. 4 and Exhibit 3 at ¶¶ 1-6.

As required by the Minnesota Cable Act, CenturyLink provided a notation and explanation of omissions or other variations with respect to the requirements of the proposal. In particular, CenturyLink indicated that it would not provide information relating to the area-served application requirement because it believes Federal law preempts the State law 5-year build out requirement. *See* Exhibit 3 at ¶¶ 28-31 and Testimony of James Campbell of CenturyLink.²⁷ There was documentary and testimonial evidence received into the record concerning CenturyLink's build-out of the City. *See* Exhibits 5 and 8. While some members of the public disagreed with CenturyLink's preemption conclusion and expressed concern about how CenturyLink will build-out its cable system if awarded a cable franchise by the City, there was no objection to CenturyLink explaining why it omitted build-out information in its cable franchise application.

For purposes of complying with the state's application requirements, CenturyLink has adequately explained why it omitted a time schedule for construction of the entire system with the time sequence for wiring the various parts of the area requested to be served in. Therefore, it has substantially complied with the application filing requirements in state law.

3. CenturyLink's Application substantially complies with the City's Competitive Franchising Policies and Procedures.

The cable franchise application requirements of the City's Competitive Franchising Policies and Procedures largely mirror the requirement found in state law. To the extent the requirements are the same or similar, CenturyLink has substantially complied with the City's application filing requirements listed above. CenturyLink also substantially complied with the following requirements:

- A statement that applicant seeks to construct a Cable System and to provide Cable Services within the City. *See* Exhibit 2 at p. 1.
- The name, address, address and telephone number of the individuals who may be contacted for further information. *See* Exhibit 2 at p. 1.
- A statement of a form and substance acceptable to the City indemnifying the City fully against any claims or liabilities alleged as the result of the City's exercise of these Policies and Procedures including any such claims or liabilities alleged or asserted by the incumbent Cable Company. *See* Exhibit 2 at pp. 5-6
- An application fee. *See* Exhibit 2.

The Competitive Franchising Policies and Procedures require an agreement to pay the City a franchise fee in the same percentage of gross revenues as the incumbent provider(s). CenturyLink's response did not contain such an agreement. Any franchise with CenturyLink must contain the same commitment to pay franchise fees as Comcast.

²⁷ Mr. Campbell's testimony on the 5-Year Build Statute can be found at the 31:15 mark of the Public Hearing at: <https://www.youtube.com/watch?v=ZgCoFZanYgY>

The City's Competitive Franchising Policies and Procedures also contain the following requirements.

- Plans for the provision of institutional network capacity and services or other "in-kind" services and the terms, conditions and technical standards under which particular service is to be provided to governmental, educational, and other institutional entities;
- A list of all institutions receiving institutional network service;

When the City adopted the Competitive Franchising Policies and Procedures, the City believed the franchised cable operator had an institutional network cable franchise commitment. Following litigation and a 2006 Settlement Agreement, the City and the franchised cable operator agreed there would be no institutional network commitment in a renewed cable franchise, which was renewed in 2009. *See* City Pet. 271337 and City Code, Appendix H. Thus, the current cable franchise with Comcast has no institutional network commitment. CenturyLink has indicated that it will meet any incumbent franchise commitments related to service to governmental, and educational entities. *See* Exhibit 2 at pp. 2-3 and Exhibit 3 at ¶¶ 17-22.

4. CenturyLink appears to have the Financial, Technical and Legal Qualifications to Provide Cable Service.

While the City may review the financial, legal and technical qualifications of a franchise applicant, the FCC has indicated that in cases of the application for a LEC that already has a certificate for public convenience and necessity from the state, an LFA need not spend a significant amount of time considering the fitness of such applicants to access public rights-of-way. *See* 621 Order at ¶ 23. This is because the LEC has already demonstrated its legal, technical, and financial fitness to be a provider of telecommunications services. *Id.*

a. Financial Evaluation. As shown above, under 47 U.S.C. § 541(a)(4) the City may consider a franchise applicant's financial qualifications in determining whether to grant a franchise. The parent company of the proposed franchisee appears financially qualified. CenturyLink, Inc. is the third largest telecommunications company in the United States with \$18.0 Billion in annual operating revenue and free cash flow of \$2.7 Billion. *See* Exhibit 2 at page 4-5; and Exhibit 3 at para. 38. CenturyLink has further committed to making a \$125 Million investment to bring cable television service to the Twin Cities. *See* Exhibit 2 at page 5. Provided that CenturyLink, Inc. can provide adequate assurances for the performance of the proposed franchisee, it appears that CenturyLink has the financial qualifications to operate a cable communications system in the City. Recently, the City required certain parent guarantees of GreatLand Connections in connection with the recent conditional approval of the cable franchise transfer from Comcast to GreatLand Connections. *See* 2015-R-XXX.

b. Technical Evaluation. As shown above, under 47 U.S.C. § 541(a)(4), the Commission may consider whether CenturyLink has the necessary technical qualifications to construct, operate and maintain a cable system. CenturyLink has a demonstrated history of operating cable systems in 13 markets in the United States. *See* Exhibit 2 at p. 3. CenturyLink

has approximately 300,000 cable television subscribers and is capable of delivering it to approximately 2.3 Million homes. *Id.* CenturyLink’s management team displays a wealth of experience in the cable and telecommunications industry. *See* Exhibit 3 at para. 6, 11-16, and 35-36. The application described a state-of-the-art cable system capable of reliably providing a panoply of cable services to subscribers. *See* Exhibit 2 at pp. 2-3. According to CenturyLink, it “offers more channels in HD than any other MVPD nationally.” *Id.* at p. 1. Based on the information contained in CenturyLink’s application and its response to the request for information, it appears that CenturyLink has the technical qualifications to operate a cable communications system in the City.

c. Legal Evaluation. Both federal law and the Competitive Franchising Policies and Procedures permit the Commission to consider a cable franchise applicant’s legal qualifications in the process of determining whether to grant a cable television franchise.²⁸ The applicant appears legally qualified to hold a cable franchise in the City. The company is properly formed and authorized to do business in the state of Minnesota. *See* Exhibit 3 at ¶¶ 1-2. The company agrees to make all appropriate filings and preparations prior to offering cable service. *Id.* at ¶ 8. No adverse administrative, civil or criminal action has been taken against the applicant over the past five years. *Id.* at 9.

While the applicant will operate the cable system, the facilities in the public rights-of-way will be owned by Qwest Corporation (“QC”). *Id.* at 10. Any cable franchise to applicant must contain adequate provisions ensuring compliance by QC of any franchise provisions related to the location, removal, relocation, testing, performance, and any other franchise requirement or applicable cable regulation relating to any portion of the cable communications system. Based on the information contained in CenturyLink’s application and responses to the City’s request for information, it appears that CenturyLink has the legal qualifications to operate a cable communications system in the City. Any franchise that is ultimately negotiated is subject to all restrictions under federal, state and local laws.

d. Cable-Related Community Needs and Interests.

No formal needs assessment is legally required in connection with an application for a competitive franchise. The City’s cable-related needs and interests were addressed in the 2009 Comcast cable franchise renewal and recently updated through a 2015 Settlement Agreement. *See* City Code, Appendix H; and City Pet. 277975. The public testimony and comments identified certain additional needs and interests as shown above. *See* Section 10 above. Any franchise negotiated with CenturyLink should be substantially similar (but need not be identical) to the 2009 Comcast cable franchise, as amended, and address the concerns raised by the public at the public hearing consistent with the recommendations of this Report.

²⁸ *See* 47 U.S.C. § 541(a)(4)(C) and Section 4, Subd. 2 of the Competitive Franchising Policies and Procedures.

Section 11 Cable Franchise Considerations

In the event that the City Council directs City staff to negotiate a cable franchise with CenturyLink, the Cable Officer recommends that any franchise include, but certainly not be limited to, addressing the following issues.

a. Economic Redlining or “Cherry Picking.” The majority of the public comment from the public hearing centered on a concern that CenturyLink will choose to provide cable communications service to wealthy areas of the City, thereby discriminating based on the income of residents in the City. *See* Exhibit 8 and Public Hearing Testimony. There is nothing in the record to indicate that CenturyLink will do so. The CenturyLink application only indicates that its cable service “will be available to over thirty percent of the households in the City.” *See* Exhibit 2 at p. 3. As CenturyLink stated at the Public Hearing, it is illegal to economically redline. *See* Public Hearing Testimony of Mr. Campbell. The Federal Cable Act does prohibit economic redlining. *See* 47 U.S.C. § 541(a)(3). While economic redlining is illegal, it should be addressed in a cable franchise in a similar manner as the incumbent’s cable franchise. Service discrimination is addressed in Section 1.3 of Comcast’s Cable Franchise. *See* Appendix H of the Minneapolis Code.

b. Diverse Programming. There were also public comments on the importance of culturally diverse programming provided by the franchised cable operators in the City. The City has limited authority on types of programming that it can require of a cable operator. Under Section 624 of the federal Cable Act, franchising authorities may establish requirements for video programming²⁹ and may enforce any requirements contained within a cable franchise for “broad categories of video programming.” *See* 47 U.S.C. § 544(b)(2)(B). Any franchise with CenturyLink should address the broad programming categories to ensure culturally diverse programming to the extent allowed.

c. Franchise Area - Reasonable Build-Out of the City.

As discussed in Section 8 above, the state of Minnesota has a statute that requires that all initial cable franchises contain a franchise provision requiring a 5-year build. It is CenturyLink’s position that the 5-year Build Statute is preempted by the Federal Cable Act. *See* Exhibit 3 at ¶¶ 28-31. While there is no court decision directly addressing whether the Federal Cable Act preempts the state 5-Year Build Statute, CenturyLink does provide a good faith basis for its position. *Id.* CenturyLink is also willing to completely indemnify the City for any litigation concerning the grant of a cable franchise to CenturyLink. *See* Exhibit 2 at 5.

With the 5-Year Build Statute on one hand and federal preemption on the other, the City is left with a difficult choice. Does the City error on the side of caution and require a 5-year build-out commitment from CenturyLink and risk thwarting a competing cable operator that will bring benefits to consumers and jobs and investment into the City? Or, does the City error on the side of competition? Litigation may be inevitable with either choice.

²⁹ Subject to the limitations of 47 U.S.C. § 544(h).

Should the City direct staff to negotiate a cable franchise with CenturyLink, the cable franchise should contain fair and reasonable build-out requirements with the goal of CenturyLink providing competitive cable services throughout the entire City within a reasonable time and in an equitable manner. In doing so, the Federal Cable Act, the 5-Year Build Statute, the FCC *621 Order*, and any other applicable law should be considered.

d. Level Playing Field Considerations.

Comcast is the only commenter to specifically raise the state level playing field statute, Minnesota Statutes Section 238.08, as a concern. In the FCC's *621 Order*, the FCC found:

In many instances, level-playing-field provisions in local laws or franchise agreements compel LFAs to impose on competitors the same build-out requirements that apply to the incumbent cable operator. *Cable operators use threatened or actual litigation against LFAs to enforce level-playing-field requirements and have successfully delayed entry or driven would-be competitors out of town.* Even in the absence of level-playing-field requirements, incumbent cable operators demand that LFAs impose comparable build-out requirements on competitors to increase the financial burden and risk for the new entrant.

621 Order at ¶ 34 (Footnotes omitted). Regardless of the reason for raising the issue, any franchise should contain adequate provisions addressing the state level playing field statute. This should include provisions to provide cable service to all City residents over a reasonable time and reasonable circumstances (consistent with the build-out discussion above), similar public, educational, and governmental access requirements as Comcast, and the same franchise fee requirement as Comcast. *See* City Code, Appendix H, at §§ 2.1(z)-(aa) and 4.

e. Compliance with City Charter and Comcast Cable Franchise

In the event the City determines to grant a cable franchise to CenturyLink, the cable franchise must be granted by an ordinance. In the event that the cable franchise contains regulations or a regulatory structure that is less burdensome than Comcast is operating under, the franchise agreement with Comcast will be at risk of being modified to reflect the changes. However, local level playing field provisions may also be subject to federal preemption. *See* Section 7(G) above.

Section 12 Recommendation

Based on the record developed by the City, including this Report, it is the Cable Officer's recommendation that the City (1) receive and file this Report; and (2) direct City staff to negotiate a cable communications franchise with CenturyLink consistent with this report.

If the City accepts this recommendation, City staff will negotiate a cable franchise with CenturyLink. The City Council should issue a notice of intent to award a cable franchise by ordinance. Once a cable franchise ordinance is introduced, a public hearing on the ordinance will be scheduled before the Ways and Means Committee. The City Council may act on the cable franchise ordinance any time seven days following the public hearing on the cable franchise ordinance. After the public hearing, the City Council will need to decide whether to award a cable franchise by ordinance or to deny the award of a cable franchise. Additionally, the Council will need to make findings of fact in support of its decision.



Patrick Haggerty
Director of State Regulatory
and Legislative Affairs
Phone 651-312-5630

DELIVERED VIA COURIER AND E-MAIL

April 30, 2015

Scott H. Neal
City Manager
City of Edina
4801 W 50th Street
Edina, MN 55402

Re: Application of Qwest Broadband Services, Inc. d/b/a CenturyLink for Cable Communications Services Franchise in Edina, Minnesota

Dear Mr. Neal:

In response to the City of Edina's published notice of Intent to Franchise and Request for Proposal, enclosed please find two copies of Qwest Broadband Services, Inc., d/b/a CenturyLink's notarized application for a cable communications franchise in the City of Edina, Minnesota. Trade Secret information has been redacted from the enclosed copies. Your counsel, Brian Grogan, has been served with one copy that contains Trade Secret information as well as a public version. The Company previously remitted a check in the amount of \$10,000 payable to the City of Edina in full payment of its application fee.

Please do not hesitate to contact me or any other designated representative of the Company if you have any questions. CenturyLink looks forward to working with and bringing facilities based video competition to the City of Edina.

Very truly yours,

A handwritten signature in black ink, appearing to read "Patrick Haggerty", with a long horizontal flourish extending to the right.

Patrick Haggerty

Cc: Brian Grogan

PUBLIC DOCUMENT

TRADE SECRET DATA
HAS BEEN EXCISED

200 South 5th Street, Room 2200
Minneapolis, MN 55402
www.centurylink.com

CITY OF EDINA

APPLICATION OF QWEST BROADBAND SERVICES, INC. D/B/A CENTURYLINK

FOR A COMPETITIVE CABLE FRANCHISE

Qwest Broadband Services, Inc., d/b/a CenturyLink (“CenturyLink”) respectfully files this application for a competitive cable communications franchise with the City of Edina pursuant to the City of Edina Notice and Request for Proposals dated March 17, 2015.

Background:

Overview of CenturyLink

CenturyLink Improves Lives

At CenturyLink, our vision is to improve the lives of our customers. Through our products and services, we help strengthen businesses and connect communities to each other and the world.

CenturyLink’s Unifying Principles

We have established certain fundamental values that are the foundation for how we interact with our partners, our customers and with one another. We call these values our Unifying Principles, and they bring together our beliefs into a cohesive philosophy that guides our actions in all matters, including our greater social responsibility in the communities where we live and work. The Unifying Principles are Fairness, Honesty and Integrity, Commitment to Excellence, Positive Attitude, Respect, Faith and Perseverance.

CenturyLink in Minnesota

CenturyLink in Minnesota employs approximately 3,000 people with the majority of those jobs located in the Twin Cities metropolitan area. More than half of CenturyLink employees in the Twin Cities are represented by the Communications Workers of America Union. This includes approximately 500 network technicians, 200 of whom are being cross-trained to support Prism. Success in the market will trigger hiring more skilled technicians in the future to support Prism. CenturyLink also employs approximately 100 network engineers in the Twin Cities who work in partnership with the network operations team to plan, build and deploy service. CenturyLink’s network operations team supports the new headend facility, located in Golden Valley.

PUBLIC DOCUMENT

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Employees in the Twin Cities also include business sales, marketing, regulatory affairs, public policy, customer service and administrative support. Employees are located across the Twin Cities in central office neighborhood locations and at three main corporate campus locations:

- CenturyLink, 200 S. 5th Street, downtown Minneapolis
- CenturyLink, 2800 Wayzata Blvd, Bryn Mawr, Minneapolis
- CenturyLink, 70 W. 4th Street, downtown St. Paul

Many CenturyLink employees have worked with the company for decades experiencing early innovations as a telephone company and the current day transformation into a technologically-sophisticated service provider to local communities and Minnesota's largest companies.

With a statewide payroll that exceeds \$195 million each year, CenturyLink is a proud contributor to jobs and the economy in the state.

CenturyLink in the Community, Sustainability and Commitment to Diversity

CenturyLink is committed to strengthening and improving the communities it serves, not only through jobs, products and services, but also through philanthropic support of local community agencies, events and initiatives. We focus our philanthropic and volunteer efforts on K-12 education and programs that support youth; technology-focused initiatives; and locally-driven efforts that strengthen communities and make them better places to live.

Through our involvement in efforts ranging from environmental stewardship to community investment, we further our commitment to improve lives by being a good citizen and neighbor in the communities where we work and live.

- Since 2007, the CenturyLink Clark M. Williams Foundation (previously Qwest Foundation) has awarded \$800,000 to innovative Minnesota teachers working to improve STEM learning and access to technology in schools statewide. The Minnesota Business Partnership assists CenturyLink by administering the program. Together, we are helping to build awareness around STEM education and preparing Minnesota's future workforce for STEM careers.
- CenturyLink awards scholarships in partnership with local organizations to advance the opportunities of their stakeholders. Scholarships recipient organizations include:
 - CenturyLink STEM scholarship via Minnesota High Tech association.

- Pacer Center Excite Technology Camp for Girls scholarship.
- Minneapolis Urban League general education scholarships.
- University of St. Thomas, ThreeSixty program scholarship.
- CenturyLink helps provide a state-of-the-art fan experience at Target Field as the Official Communications Provider for the Minnesota Twins and Target Field. CenturyLink's sponsorship also includes working with the Twins and the Metro Area Library Association to support the summer reading program.
- Through our Matching Time Grant program, Minnesota employees volunteering time to a non-profit agency can earn a CenturyLink Foundation grant for that organization.
- Our employees can further their community support through our annual CenturyLink All Employee Volunteer Day, Employee Giving Campaign supporting the Greater Twin Cities United Way and our Annual Food Drive supporting Second Harvest Heartland.
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- CenturyLink's Privacy Policy protects our customers' information and keeps our customers informed about the information we collect and the choices they have regarding that information.
- Diversity is celebrated and promoted through our Employee Resource Groups, recruiting, global supply chain and community outreach.

CenturyLink Lifeline & Internet Basics

CenturyLink participates in Lifeline, which provides certain discounts to qualified subscribers on monthly service. The program is designed to help low income households with needed phone services. Lifeline is available to qualifying customers in every U.S. state. Qualifications vary by state. Residents of American Indian and Alaskan Native tribal lands may qualify for up to an additional \$25 of enhanced Lifeline support monthly. They may also qualify for the Link-Up program, which helps consumers pay the initial installation costs of getting telephone service. Link-Up provides a credit of up to \$100 of the initial installation charges for tribal customers.

CITY OF EDINA

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- Diversity is celebrated and promoted through our Employee Resource Groups, recruiting, global supply chain and community outreach.

CenturyLink Lifeline & Internet Basics

CenturyLink participates in Lifeline, which provides certain discounts to qualified subscribers on monthly service. The program is designed to help low income households with needed phone services. Lifeline is available to qualifying customers in every U.S. state. Qualifications vary by state. Residents of American Indian and Alaskan Native tribal lands may qualify for up to an additional \$25 of enhanced Lifeline support monthly. They may also qualify for the Link-Up program, which helps consumers pay the initial installation costs of getting telephone service. Link-Up provides a credit of up to \$100 of the initial installation charges for tribal customers.

CenturyLink supports the Federal Communications Commission's goal of bringing high-speed Internet to economically-disadvantaged households. We work with nonprofit partners throughout our state to engage communities in the CenturyLink Internet Basics program which provides qualifying low-income Minnesotans service at a reduced rate. CenturyLink has conducted training programs and awareness building around Internet Basics through the Minneapolis Urban League. We have created partnerships with the Minneapolis Public Schools and PC's for People to distribute hundreds of computers to low-income families and provide information to families on the opportunities offered through CenturyLink Internet Basics.

CenturyLink, the applicant, is a Delaware corporation, in good standing and authorized to do business in the State of Minnesota.

The following responds directly to the requested information set forth in the Request for Proposals:

A. Plans for channel capacity, including both the total number of channels capable of being energized in the system and the number of channels to be energized immediately.

Applicant's underlying switched digital IP based technology allows for an almost unlimited channel capacity. While a final channel lineup has not been finalized at this time, please see "Exhibit A - channel lineup and programming packages" from another jurisdiction CenturyLink offers Prism™ service. CenturyLink will provide the Commission with a copy of the actual channel lineup prior to launching service. It should be noted that currently CenturyLink offers more channels in HD than any other MVPD nationally. It also provides a robust library of Video on Demand content.

B. A statement of the television and radio broadcast signals for which permission to carry will be requested from the Federal Communications Commission.

Franchisee will make all appropriate filings and preparations prior to the turn up of its video service including (1) filing a community registration with the FCC via FCC Form 322; (2) providing notice to local broadcasters and requesting either must-carry or retransmission consent election. In the Twin Cities area, Applicant will negotiate retransmission agreements with the following stations: KARE, KMSP, KSTC, KSTP, WCCO, WFTC, and WUCW. The following stations will be carried via a must carry election by the station: KPXM and KTCA. And (3) registration of any antennas required to provide service.

In its existing markets, Franchisee complies with many additional federal requirements in providing its Prism™ service, including all of the FCC requirements applicable to multichannel video programming distributors (such as equal employment opportunity and set-top box requirements), the FCC requirements applicable to EAS participants that are wireline video service providers, other FCC requirements applicable to provision of Prism™ (such as receive-only earth station license requirements and annual regulatory fees for IPTV providers), and the Copyright Office requirements for cable systems filing semi-annual copyright statements of accounts and paying statutory license fees. Franchisee does not file an FCC Form 327 relating to CARS microwave facilities because Franchisee does not use such facilities in connection with the provision of Prism™. Similarly, Franchisee does not file FCC Form 320 and FCC Form 321 as they relate to the use of aeronautical frequencies that are not applicable to the IPTV technology.

C. A description of the proposed system design and planned operation, including at least the following items:

Description of the Technology and Infrastructure:

CenturyLink will deploy its cable communications service, Prism™, over facilities owned by an affiliated company, Qwest Corporation, d/b/a CenturyLink (QC). Prism is a switched digital service and is Ethernet based (it is not a QAM based, broadcast service). The fact that the service is switched digital and Ethernet based enables CenturyLink to offer unique features and functions, e.g., warp channel change, not generally available over more traditional cable systems, as more fully detailed below.

Currently, two network architectural designs are used to deliver Prism™ to subscribers: fiber to the node (FTTN) and fiber to the premises (FTTP), but the quality of the cable communications service is of the same high, technical quality regardless of the underlying network architecture. For FTTN, CenturyLink deploys fiber from a serving central office to a remote terminal in a neighborhood. The remote terminal houses the electronics (currently VDSL2) and such electronics create a broadband stream to individual addresses of up to 40Mbps (80Mbps if using pair bonding) over a copper subloop. For FTTP, there is fiber connectivity from the serving central office to a distinct address/location via an optical loop terminal (OLT) and this fiber connection will support broadband speeds of up to One Gbps. A set-top box is required for each television in a home to receive Prism™. CenturyLink recently introduced a wireless set top box which enables the end user to move Prism™ to any location such as the patio or garage.

QC is the traditional telecommunications provider in the City of Edina. It has and will continue to pull all necessary permits and comply with all local rules, codes and ordinances associated with access to and presence in the public rights of way.

Please see Exhibit B (TRADE SECRET).

1. The general area for location of antenna and headend, if known;

CenturyLink has two "super head ends", one located in Columbia, Missouri and one in Littleton, Colorado and each super head end has a satellite "farm" used to download national content. These two super head ends provide redundancy, i.e., should an emergency interrupt service at one super head end, and then the other head end will be used to provide the national content. The national content is encoded and then deployed over diverse 10 Gig fiber circuits to the local head where the local content, including public, educational and government access channels, is inserted for ultimate delivery to end users. The City of Edina will be served out of the super head end is in Columbia, Missouri and the local head end will be located in Golden Valley, Minnesota. CenturyLink will pick up the local broadcast signals via fiber circuits and will also capture those signals by antennae located at the local head end as a back-up, precautionary measure.

2. The schedule for activating cable and two-way capacity;

While an exact launch date has yet to be determined, we are working diligently to complete all necessary work and required testing and operational readiness reviews to offer service to customers upon successful execution of a Franchise Agreement. Applicant will meet with Commission and appropriate member jurisdictions to share the actual launch date when it becomes finalized.

3. The type of automated services to be provided;

As noted above, we have attached a sample channel line up from another market. This illustrates the vast selection of content available to subscribers. Because our system is IP based, we offer unique applications available via the television set such as access to Picasa. In addition, search and streaming services are available which enable viewers to search for the cheapest gasoline within a specified area or to stream selected stock market quotes. We also have an ever increasing video on demand library. Prism™ is a state of the art offering and its features and functions also include, but are

not limited to: (1) whole home DVR; (2) warp speed channel change; (3) find-it fast navigation, (4) multi-view (4 shows on one screen); (5) personal media sharing; (6) interactive news and information dashboard; (7) Prism™ on the Go (select content available over mobile devices such as smart phones and tablets); and (8) advanced parental controls. By going to the following URL, you can "experience" the features and functions of Prism™ through a short demonstration: <http://www.centurylink.com/prismtv/ffindex.html>.

4. The number of channels and services to be made available for access cable broadcasting; and

Applicant will carry the same number of PEG stations as the incumbent. Further, Applicant is willing to carry any of the PEG stations in High Definition ("HD") format if the entity originating the signal provides that signal to Applicant in HD. Applicant will down convert the HD signals to standard definition ("SD") for those customers who may not subscribe to an HD package.

5. A schedule of charges for facilities and staff assistance for access cable broadcasting;

Franchisee will make all franchised cities' access channels available to its subscribers. For purposes of acquiring the signal, Franchisee will pick up the particular City's Access Channel signals at the point(s) of origination via a fiber facility and transport such content back to the local VSO for insertion in the channel lineup. At the point(s) of origination, Franchisee will need rack space and power for its equipment to receive the signal(s) handed off by the City to Franchisee. Franchisee will pay for all facilities and equipment located on its side of the demarcation point where the City will hand off its content to Franchisee and as is industry practice, the City will be responsible for all equipment on its side of the demarcation point.

One of the features available on Prism™ is "multi-view" -- we create a single channel/landing page for a category of shows, e.g., news, and make all the news channels available using picture in a picture technology. The end user can then click on the channel he or she wants to watch or watch four simultaneously. You can see a quick demonstration of this feature by clicking on the following URL:

<http://www.centurylink.com/prismtv/#prism-tv-virtual-test-drive.html>.

We will use this same technology to create a "multi-view" (also referred to as "mosaic") for the member Cities' Access Channels. In other words, we will work with the member cities to assign a channel placement/number for the

Access Channel mosaic so that all of the franchised member cities' Access Channels will be available on the "landing page" and an end user merely needs to click on the specific channel/picture in a picture to be seamlessly taken to the selected Access Channel in full screen view. Because each of the Access Channels has its own dedicated channel assignment, the channels are offered in the same video and audio quality as all other channels and can be recorded if so desired by an end user. Further, access to the member cities' Access Channels will not be limited to residents of a particular City. Rather, Prism™ subscribers throughout the area will have access to the various member cities' Access Channels and City residents will have access to other Cities' or Cable Commissions' Access Channels. This opens a vast array of viewing options for citizens.

Franchisee is willing to make all the franchised member cities' access channels available in high definition if the City hands them to Franchisee in that format. If so, Franchisee will down convert all such HD Access Channels to SD so they can be viewed by any end user not capable of receiving HD signals. As this relates to the multi-view screen for the Access Channels, Applicant's middleware will automatically know if a subscriber needs to see the channel in SD or HD and will automatically route the end user to the channel with the proper format.

With respect to video on demand, Franchisee will offer the cities a specified amount of space on its VOD servers, as will be specified in the franchise. This will enable viewers to go into the VOD library and to view, on an on-demand basis, any Access Channel content that the City has handed to Franchisee for storage on its VOD servers. Such VOD content hand off has a common industry standard which will be shared with the City when the terms of the franchise are negotiated and finalized.

D. Terms and conditions under which particular service is to be provided to governmental and educational entities.

Applicant will provide at no charge expanded basic service to all government buildings, schools, and public libraries located within its service footprint so long as those locations are capable of receiving service from Applicant and no other cable provider is providing service at such locations.

E. A schedule of proposed rates in relation to the services to be provided and a proposed policy regarding unusual or difficult connection of services.

Final rates have yet to be determined, please see “Exhibit C– sample Prism™ rates” which are offered here for illustrative purposes. CenturyLink will provide Prism service to all qualified households within seven days. CenturyLink does not have "non-standard" installation, i.e., the provision of service at an additional construction cost to the subscriber. Qualification for Prism™ service is purely a technical issue — it is not possible to pay an additional amount to qualify for the service.

F. A time schedule for construction of the entire system with the time sequence for wiring the various parts of the area requested to be served.

Applicant is still finalizing its initial footprint for the deployment of cable services within the City of Edina service area. Applicant’s planned deployment is highly confidential. Pursuant to an executed franchise agreement(s), Applicant will meet regularly with the City and the Commission to discuss where service is available and any plans for additional deployment. Applicant is the second entrant into the wireline video market in the City of Edina. As a second entrant, investment in and expansion of Applicant’s Cable System should be driven by market success, and not a contractual requirement for ubiquitous coverage.

The following sets forth some critical background with respect to deployment of both telecommunications and cable infrastructure. Initially, local telephone companies were granted monopolies over local exchange service in exchange for taking on a provider of last resort obligation– a duty to provide service – to customers in its service territory. Similarly, with respect to video services, the City of Edina has given the incumbent video provider (and its predecessors) a monopoly over facilities based video. In exchange for making the capital investment to deploy facilities, the incumbent cable company got 100 percent of the customers who wanted cable television.

Subsequently, with respect to telephone services, the federal and local governments effectively eliminated the local telephone monopolies and fostered robust competition. It should be noted that in doing so, the telecom second entrant had absolutely no obligation to build any facilities or to serve any particular location(s) at all. As the FCC noted, imposing build-out requirements on new entrants in the telecommunications industry would constitute a barrier to entry (13 FCC Rcd 3460, 1997). Cable companies were free to enter the telecom market on terms that made business and economic sense to them. This very environment was the catalyst for robust

wireless and wireline competition and the proliferation of higher broadband speeds.

Congress became concerned about the lack of competition in the video world and in 1992 amended federal law to prohibit a local franchising authority from “unreasonably[y] refus[ing] to award an additional competitive franchise.” 47 U.S.C. § 541(a)(1) provides a direct avenue for federal court relief in the event of such an unreasonable refusal. 47 U.S.C. § 555(a) and (b). Until the advent, however, of state statutes granting statewide cable franchises without a mandatory build requirement (e.g., Florida) or progressive cities willing to grant competitive franchises, cable monopolies continued to the detriment of consumers and competition. Level playing field requirements are just one example of barriers to competitive entry erected by cities at the behest of the cable monopolies.

Courts have ruled, however, that “level playing field” provisions do not require identical terms for new entrants. See, for example, *Insight Communications v. City of Louisville*, 2003 WL 21473455 (Ky. Ct. App. 2003), where the court found:

There will never be an apple-to-apple comparison for Insight and other franchisee simply because Insight is the incumbent which in its own right and through its predecessors has been the exclusive provider of cable services in the City of Louisville for almost thirty years. No new cable franchisee can ever be in the same position as a thirty-year veteran.

See also, In Cable TV Fund 14-A, Ltd. v. City of Naperville (1997 WL 209692 (N.D. Ill)); and *New England Cable Television Ass’n, Inc. v. Connecticut DPUC* 717 A.2d 1276 (1998).

In sharp contrast to the monopoly provider, a second entrant faces a significant capital outlay with absolutely no assurance of acquiring customers; rather, it must compete with the monopoly incumbent and win each and every customer over. As Professor Thomas Hazlett of George Mason University has explained, “[i]ncumbents advocate build-out requirements precisely because such rules tend to limit, rather than expand, competition.” The federal Department of Justice has also noted that “...consumers generally are best served if market forces determine when and where competitors enter. Regulatory restrictions and conditions on entry tend to shield incumbents from competition and are associated with a range of economic inefficiencies including higher production costs, reduced innovation, and distorted service choices.” (Department of Justice Ex Parte, May 10, 2006, FCC MB Dkt. 05-311).

The fact is that the incumbent cable provider has (1) an established market position; (2) all of the cable customers; and (3) an existing, in-place infrastructure. These disparate market positions make imposing a build-out requirement on a competitive entrant bad public policy. Under the guise of “level playing field” claims, incumbent cable operators seek to require new entrants to duplicate the networks the incumbents built as monopolies, knowing that such a requirement will greatly reduce, if not eliminate, the risk of competitive entry.

In 2007, the FCC issued its findings with respect to facilities based video competition and held as follows: (1) with respect to level playing field requirements, the FCC stated that such mandates “unreasonably impede competitive entry into the multichannel video marketplace by requiring local franchising authorities to grant franchises to competitors on substantially the same terms imposed on the incumbent cable operators (Para. 138); and (2) with respect to mandatory build out, the FCC held that “an LFA’s refusal to grant a competitive franchise because of an applicant’s unwillingness to agree to unreasonable build out mandates constitutes an unreasonable refusal to award a competitive franchise within the meaning of Section 621(a)(1) [47 U.S.C. § 541(a)(1)].”

Those two FCC holdings alone should put this entire matter to rest – level playing field requirements and unreasonable mandatory build requirements are barriers to competitive entry in the cable market and violate the federal Cable Act and the FCC’s order. Minnesota, however, codified its requirements in a state law and the FCC expressly declined to “preempt” state laws addressing the cable franchising process.

It is clear, however, that the FCC did not intend to protect the Minnesota statute which mandates the imposition of barriers to entry on each and every local franchising authority. As various providers were trying to enter the competitive cable market and encountering barriers such as level playing field requirements and mandatory build out provisions, many states passed statutes to facilitate competitive entry and to prevent local franchising authorities from erecting barriers to entry. Such laws were passed in 26 states including Florida, Missouri and North Carolina, where CenturyLink has taken advantage of the streamlined process to enter a market without a mandatory build obligation. These laws have facilitated competitive entry as evidenced, for example, by the presence of four facilities based competitors in the Orlando, Florida market, including CenturyLink and Comcast. As such, these state laws are aligned and not in conflict with the FCC’s and Congress’ policies for promoting competition in the video distribution market.

Minnesota's cable law, however, is quite the opposite. Minnesota's cable act dates back to the 1970s and directs each local franchising authority to impose not only a level playing field across a broad range of issues (many of which Franchisee does not oppose), but also a five year mandatory build out requirement. Both of these provisions have been deemed to be barriers to entry by the FCC. The incontrovertible fact is that the law has been extremely successful in barring cable communications competition in the City of Edina: The City of Edina has not experienced any facilities based competition because of the barriers to entry Minnesota codified in Chapter 238.

In support of this position, that the FCC's 2007 Order preempts Minn. Stat. Chapter 238, Franchisee notes the following:

- Conflict preemption: State law may be preempted without express Congressional authorization to the extent it actually conflicts with federal law where state law "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress" *English v. General Elec. Co.*, 496 U.S. 72,79 (1990).
- Whether state law constitutes a sufficient obstacle is a matter of judgment to be informed by examining the federal statute as a whole and identifying its purpose and intended effects. *Crosby v. Nat'l Foreign Trade Council*, 530 U.S. 363,372 (2000).
- Minn. Stat. § 238.08 mandates terms that each municipality must implement in granting a new or renewed cable franchise.
- Minn. Stat. § 238.084 sets forth the required contents of a franchise ordinance and sets forth very precise requirements in an initial franchise about the build: commence build within 240 days; must construct at least 50 plant miles per year; construction throughout the franchise area must be substantially completed within 5 years of granting the franchise; and these requirements can be waived by the franchising authority only upon occurrence of unforeseen events or acts of God.
- Section 621(a)(1) initially gave local authorities the authority to grant franchises, but this broad grant resulted in exclusive franchises/monopolies. Congress "believe[d] that exclusive franchises are contrary to federal policy . . . which is intended to promote the development of competition. H.R. Conf. Rep. No. 102-862, at 77 (1992)
- Legislative history clearly supports that Congress was focused on fostering competition when it passed the 1992 Act. *Qwest Broadband Servs. Inc. v. City of Boulder*, 151 F. Supp. 1236, 1244 (D. Colo. 2001).

- In its 2007 order, the FCC found that “an LFA’s refusal to grant a competitive franchise because of an applicant’s unwillingness to agree to unreasonable build out mandates constitutes an unreasonable refusal to award a competitive franchise within the meaning of Section 621(a)(1).” The FCC order, however, targeted local and not state laws.
- Arguably, the Minnesota build requirements set forth in Section 238.084(m) are in conflict with Section 621(a)(1) and are, therefore, preempted.
In the Boulder case, the court applied Section 621’s prohibition on unreasonable refusals to grant franchises to find conflict preemption where local rules required voter approval for any new franchises.
- The mandatory build out in the Minnesota statute could be considered a de facto “unreasonable refusal” to grant a franchise and thus conflict with the pro-competition purpose set forth in 621(a)(1).
- In upholding the FCC’s ruling, the Sixth Circuit stated that “while the [FCC] characterized build out requirements as ‘eminently sensible’ under the prior regime in which cable providers were granted community-wide monopolies, under the current, competitive regime, these requirements ‘make entry so expensive that the prospective . . . provider withdraws its application and simply declines to serve any portion of the community.’ *Alliance for Cmty Media v. FCC*, 529 F.3d 763, 771 (6th Cir. 2008).
- The FCC ruling targeted local rules and actions and the FCC refrained from preempting state regulation because it lacked “a sufficient record to evaluate whether and how such state laws may lead to unreasonable refusals to award additional competitive franchises.” FCC Cable Franchising Order (FCC 06-180, at n.2 & ¶ 126). That is not to say, however, that upon full consideration, the FCC would not find the Minnesota mandatory build requirements to constitute an unreasonable refusal under Section 621.
 - The franchising laws which were being enacted about the time of the FCC order facilitated competitive entrants into the facilities based video market.
 - In sharp contrast, the Minnesota statutes mandates individual cities and commissions to include onerous build out schedules which, standing alone, would run afoul of the FCC’s order.

It should also be noted that at least two cities in Minnesota have chosen to award competitive franchises to second entrants without satisfying all the mandates of Chapter 238. *See Mediacom Minnesota, LLC v. City of Prior Lake*,

Minn. Ct. of Appeals, A09-1379 (Unpublished decision, Filed June 22, 2010). In October 2014, the City of Owatonna awarded a competitive franchise to a second provider, and the franchise did not contain the five year build requirement set forth in Chapter 238. Rather, it contained a market success model expressly endorsed by the FCC. The competitor will provide service to 25 percent of the City of Owatonna and will have no further obligation to enable the provision of cable communications services until 48 percent of households in the footprint subscribe to its service.

Finally, nothing in the FCC's Order on Reconsideration released in January of this year alters the above analysis.

G. A statement indicating the applicant's qualifications and experience in the cable communications field, if any.

CenturyLink has been offering Prism™ since 2008, when it initially launched its service in Lacrosse, Wisconsin, and has continued to expand its Prism™ footprint since that time. Prism™ is currently available in 14 markets. The attached Exhibit D is a list of the jurisdictions in which CenturyLink offers Prism™ pursuant to either statewide franchise statutes or locally negotiated, competitive franchises. In addition, the Company offers an analog product in smaller markets in Wisconsin and Iowa.

CenturyLink has upgraded and/or deployed new facilities, including fiber to the premises, so that it is capable of offering service to over 2.4 million homes. CenturyLink has approximately 240,000 Prism™ customers and continues to bring on new subscribers daily.

Tyler Middleton is the Vice President of Operations for Minnesota. His team includes more than 500 technicians, 200 of whom are being cross-trained to install and support Prism. There is a wide array of employees performing various functions in support of Prism™ in the Twin Cities, including approximately 100 engineers who will be working under Mr. Middleton's leadership to design and support the infrastructure that enables Prism™.

Trent Clausen is the Vice President of Construction for the Midwest Region. He has held a variety of leadership positions in the network organization over the past 16 years, including positions managing and leading capital planning, field construction, local engineering, dispatch operations, and installation and maintenance operations. His team successfully upgraded the network in Omaha to support the launch of Prism™ there in 2013 and will be responsible, working closely with Mr. Middleton's team, to construct the network to support Prism™ in Minneapolis and the Twin Cities metropolitan area.

There are three essential corporate divisions which support the provision of Prism™ to end users: Global Operations and Shared Services, Global Markets and Product Development and Technology.

The Global Operations and Shared Services organization is led by Executive Vice President Maxine Moreau. A 30-year veteran of telecommunications, Maxine Moreau brings a depth of knowledge and experience in network services, operations, IT and process improvement to her role as Executive Vice President of Global Operations and Shared Services. She is responsible for operational excellence through the end-to-end planning, engineering, construction, operation and maintenance of CenturyLink's global network, as well as regional operations and hosting data centers. Moreau oversees network enablement that currently provides commercial 100Gbps services to businesses for high-bandwidth needs as well as the deployment of 1Gbps fiber networks in certain markets, including Minneapolis for both consumer and business customers. Members of her team will staff the VSO in Golden Valley.

Maxine Moreau's team is responsible for the engineering, planning and deployment of all network infrastructure, including the infrastructure on a national and local basis for the delivery of Prism™. In addition, organizations responsible for data and video operations report up to Maxine. These centers, from an operational perspective, constantly monitor and repair, if necessary, the entire network including the facilities used in the provision of Prism™.

The Global Markets organization is led by President Karen Puckett. With 30 years of telecommunications experience, Karen Puckett is an industry veteran with proven success in the integration of complex operations, the achievement of industry-leading financial and operational performance, and the creation of a company culture that is focused on accountability, innovation and growth. As CenturyLink's Chief Operating Officer, Puckett is responsible for the company's financial and operational performance in the business and consumer segments. She leads marketing, sales, service delivery, care and customer experience initiatives for all business and consumer customers and the implementation of the local operating model in the company's local service areas in 37 states. Puckett has been at the forefront of CenturyLink's transformation from a local telephone exchange company serving rural and mid-sized markets to an industry leader in advanced communications services with customers throughout the United States and overseas. Her visionary leadership has been instrumental in the company's ability to thrive in the new arenas of cloud, data hosting and managed services, as well as facilities based switched digital video service while maintaining its focus on operational excellence and financial strength.

Puckett led the 2001 companywide realignment to the local operating model, placing decision making closer to the customer and making the company more responsive to the marketplace. The model has consistently resulted in financial and operational improvements as CenturyLink has acquired new markets.

As it relates to Prism, Karen Puckett's organization owns the customer experience in terms of sales and repairs. There are five call centers which provide support for consumer sales, including Prism™. These centers are located in Sioux City, Iowa; Idaho Falls, Idaho; Boise, Idaho; Midvale, Utah; and Phoenix, Arizona.

The Product Development and Technology organization is led by Executive Vice President and Chief Technology Officer, Aamir Hussain. Hussain is an experienced senior technology executive with more than 23 years of proven success in the implementation of global technology operations, operationalization of complex technology, infrastructures, and business solutions while driving capital cost efficiencies in the business. Hussain and his team are responsible for the design and delivery of next generation products, services and technologies critical to achieving CenturyLink's strategic growth priorities, including Prism. Hussain has a diverse background in data, security, voice, video and wireless technologies. Prior to joining CenturyLink, he held senior leadership roles at Liberty Global, Covad, TELUS and Qwest. Hussain sits on several startup and non-profit boards, is technical advisor to technology companies and holds 11 patents in Telecommunications. In addition, he has completed leadership, innovation and strategy training from Harvard, the INSEAD institute in France and the International School of Business Management in Switzerland.

Aamir's team is charged with constantly working to implement new technologies and innovations to enhance the customer experience across the entire suite of CenturyLink products, including Prism.

Glenn Garbelman serves as the Vice President of the Video Operations at CenturyLink, and is based in Monroe, Louisiana. He currently has day-to-day operational responsibility for all video services, which is currently serving 240,000 Prism™ customers with more than 150 employees on his team. Prior to joining CenturyLink, he was part of a large communications company that successfully launched and supported IPTV video in over 70 markets throughout the United States. He has more than 25 years of experience in the industry with the last 10 focused on video products and services over an IP network.

Sandeep Bhalla is the Director of Video Technical Operations. Responsible for the daily operations of CenturyLink Video Services, Sandeep oversees the

Video Operations staff and ensures the integrity of operations and processes. With 19 years of technical experience and 10 years of video, Sandeep has served as a CenturyLink representative to national and international forums related to next generation video services. Prior to joining CenturyLink, Sandeep was a Manager of Head End Implementation for a large communications company. Sandeep holds a BA from the University of California Berkley.

Charles Becker is the Manager Video Operations IPTV responsible for all headends based out of Denver, Colorado. The Video Headend Team is responsible for the operation and acquisition of all video content served by the Prism platform both local and national. The team maintains and operates 17 headends located in 13 states across the country. This team supports new market builds, preventative maintenance, outage resolution and proactively supports the video monitoring teams in outage resolution. Charles is a 35 year veteran of the video industry and 9 year employee of CenturyLink.

Steve Epstein is a Senior Lead Engineer –Managing for CenturyLink. Steve was the initial member of the CenturyLink Video team and brings 35 years of broadcast experience to CenturyLink. In addition to being Chief Engineer at several television stations, Steve was the technical editor of Broadcast Engineering magazine. Steve is an SBE certified professional broadcast engineer and holds a BS in Broadcasting.

- H. An identification of the municipalities (including contact information for the municipal officials in each community) in which the applicant either owns or operates a cable communications system, directly or indirectly, or has outstanding franchises for which no system has been built.**

Please see Exhibit D for a list of jurisdictions Applicant or affiliate of Applicant holds a cable franchise agreement pursuant either to local agreement or statewide franchise authority.

- I. Plans for financing the proposed system, which must indicate every significant anticipated source of capital and significant limitations or conditions with respect to the availability of the indicated sources of capital. This information should include:**

1. Current financial statement

Applicant's ultimate parent company is CenturyLink, Inc. CenturyLink's most recent Form 10-K (along with all other SEC filings) may be found here: <http://ir.centurylink.com/docs.aspx?iid=4057179>

2. Proposed sources and uses of funds for the construction project

Applicant's ultimate parent company is CenturyLink, Inc. which is a Fortune 500 Company (currently around Fortune 150) with annual operating revenues exceeding 18 Billion Dollars in 2013. Applicant does not require any unique or additional funding sources (i.e. special notes or bonds) in order to deploy its Prism™ service in this, or any other market.

3. Financial budgets for the next three (3) years;

See response to I (4) below

4. Documentation regarding the commitment of funds; and

As a publicly traded Company, CenturyLink releases a very limited amount of forward-looking information for the company as a whole, but it does not provide forward-looking information at the individual market level because it could lead to incorrect or inappropriate assumptions or conclusions by its current and potential investors regarding the business as a whole. Given the extremely sensitive nature of the information contained in the requested proforma, applicant cannot file this information as part of its application.

5. Any other information that applicant determines would be useful in evaluating its financial qualifications.

Please see response to I (1) above

J. A statement of ownership detailing the corporate organization of the applicant, if any, including the names and addresses of officers and directors and the number of shares held by each officer or director, and intercompany relationship, including the parent, subsidiary or affiliated company.

Applicant's ultimate parent company is CenturyLink, Inc., a Louisiana corporation headquartered in Monroe, Louisiana, and, through its subsidiaries, owns 100% of Qwest Broadband Services, Inc. d/b/a CenturyLink. A more detailed corporate structure is depicted on the attached Exhibit E. On April 21, 2010, CenturyLink, Inc. reached an agreement to purchase Qwest Communications International, Inc. ("QCII") through a tax-free, stock-for-stock transaction. Under the terms of the parties' merger agreement, CenturyLink, Inc. is the ultimate parent of QCII and the subsidiaries that were under QCII. At the time of the merger between CenturyLink and Qwest Communications International, Inc., Franchisee was a wholly-owned subsidiary of Qwest Services Corporation, Inc. as was Qwest Corporation, the entity which places facilities in the City's public rights of way pursuant to the City's ordinances and associated rules. Further, at merger, Franchisee was a member of the National Cable Television Cooperative ("NCTC") as was the CenturyLink entity which offers Prism in legacy CenturyLink markets, e.g., Florida. Because the NCTC expressly forbids more than one entity within a corporate family to belong to

and directly obtain content from the NCTC and because any affiliated entity receiving content from the NCTC must be a wholly-owned subsidiary of the NCTC member, CenturyLink, Inc. moved Franchisee from being a subsidiary of Qwest Services Corporation to being a subsidiary of CenturyTel Broadband Services, LLC. As provided in the original application filed with the City, the following sets forth the officers and directors of Franchisee. This group of officers and directors do not own any shares of the franchisee.

Qwest Broadband Services, Inc. (Delaware Domestic)

Directors: R. Stewart Ewing, Jr.
Stacey W. Goff

Officers:

Chief Executive Officer and President	Glen F. Post, III
President Global Markets	Karen A. Puckett
Executive Vice President and Chief Financial Officer	R. Stewart Ewing, Jr.
Executive Vice President, General Counsel	Stacey W. Goff
President IT Services and New Market Development	Girish Varma
Vice President – Public Policy and Government Relations	James P. Campbell
President – Wholesale Operations	William E. Cheek
Executive Vice President – Controller and Operations Support	David D. Cole
Executive Vice President – Network Services	Maxine Moreau
Vice President and Treasurer	Glynn E. Williams, Jr.
Vice President	Jonathan J. Robinson
Secretary	Kay Buchart
Assistant Secretary	Joan E. Randazzo
Assistant Secretary	Meagan E. Messina

K. A notation and explanation of omissions or other variations with respect to the requirements of the proposal.

None at this time

Respectfully Submitted,

Qwest Broadband Services, Inc. d/b/a CenturyLink
By: Patrick Haggerty

Subscribed and sworn to before me
This 30th day of April, 2015

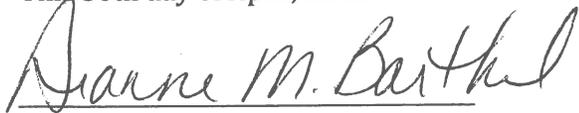
Notary Public
My Commission Expires:

Respectfully Submitted,



Qwest Broadband Services, Inc. d/b/a CenturyLink
By: Patrick Haggerty

Subscribed and sworn to before me
This 30th day of April, 2015



Notary Public

My Commission Expires: Jan 31, 2020





Phoenix Channel Lineup

Prism™ Essential

3	3TV (KTVK)	1129	FX HD	1045	My Network TV HD (KUTPDT)
1003	3TV HD (KTVKDT)	129	FX	1266	National Geographic Channel HD
1167	A&E HD	1131	FXX HD	266	National Geographic Channel
167	A&E	131	FXX	12	NBC (KPNX)
15	ABC (KNXV)	4004	Galavision HD	1012	NBC HD (KPNXDT)
1179	ABC Family HD	3004	Galavision	1640	NBC SN HD
179	ABC Family	36	GetTV (KFPDHT2)	640	NBC SN
1015	ABC HD (KNXVDT)	1641	Golf Channel HD	20	NBC Weather Plus (KPNXD2T)
1796	AMC HD	641	Golf Channel	1630	NFL Network HD
796	AMC	1176	Hallmark Channel HD	630	NFL Network
16	Antenna TV (KNXVDT2)	176	Hallmark Channel	629	NFL RedZone (Pay Per View)
1105	AXS TV	1106	HDNet Movies	1629	NFL RedZone HD (Pay Per View)
13	AZ-TV (KAZT)	1451	HGTV HD	1638	NHL Network HD
1013	AZ-TV HD (KAZTDT)	451	HGTV	638	NHL Network
41	Azteca America (KPDFCA)	271	History	1314	Nickelodeon HD
310	Baby First TV	1203	HLN HD	314	Nickelodeon
1156	BET HD	203	HLN	1368	Oxygen HD
156	BET	1422	Home Shopping Network HD	368	Oxygen
1222	Bloomberg HD	19	Home Shopping Network	1683	PAC 12 Arizona HD
222	Bloomberg	422	Home Shopping Network	683	PAC 12 Arizona
327	Boomerang	1261	ID HD	106	Pay Per View Events HD
1182	Bravo HD	261	ID	1101	Pay Per View Events HD
182	Bravo	51	ION (KPPX)	101	Pay Per View Events
1650	BTN HD	1051	ION HD (KPPXDT)	8	PBS Eight (KAET)
650	BTN	1428	Jewelry Television HD	1008	PBS Eight HD (KAETDT)
1651	BTN2 HD	17	Jewelry Television	8006	Phoenix Educational Access
651	BTN2	428	Jewelry Television	8005	Phoenix Government Access
1652	BTN3 HD	1168	Justice Central HD	8014	Pinal County Government Access
652	BTN3	168	Justice Central	9161	Premier League Extra Time 1 HD
1230	C-SPAN HD	4	KPHO Weather Now (KPHODT2)	9151	Premier League Extra Time 1
230	C-SPAN	1361	Lifetime HD	9162	Premier League Extra Time 2 HD
1231	C-SPAN2 HD	361	Lifetime	9152	Premier League Extra Time 2
231	C-SPAN2	364	Lifetime Real Women	9163	Premier League Extra Time 3 HD
1327	Cartoon Network HD	1362	LMN HD	9153	Premier League Extra Time 3
326	Cartoon Network	362	LMN	9164	Premier League Extra Time 4 HD
5	CBS (KPHO)	5129	MC ?70s	9154	Premier League Extra Time 4
1005	CBS HD (KPHODT)	5128	MC ?80s	9165	Premier League Extra Time 5 HD
411	CenturyLink Information	5127	MC ?90s	9155	Premier League Extra Time 5
1411	CenturyLink Information	5116	MC Adult Alternative	90	Prism Applications
8015	City of Casa Grande	5115	MC Alternative	92	Prism Games
8003	City of Chandler Educational Access	5146	MC Blues	301	Prism Kids
8002	City of Chandler Government Access	5134	MC Classic Country	201	Prism News
8004	City of Gilbert Government Access	5118	MC Classic Rock	11	Prism PEG Channels
8007	City of Glendale Government Access	5149	MC Classical Masterpieces	601	Prism Sports
8008	City of Maricopa Government Access	5135	MC Contemporary Christian	1420	QVC HD
8010	City of Mesa Educational Access	5133	MC Country Hits	18	QVC
8011	City of Mesa Government Access	5103	MC Dance	420	QVC
8009	City of Peoria Government Access	5148	MC Easy Listening	1799	Reelz Channel HD
8001	City of Scottsdale Government Access	5111	MC Gospel	799	Reelz Channel
8013	City of Surprise Government Access	5105	MC Hip-Hop and R&B	1424	ShopHQ HD
8012	City of Tempe Government Access	5107	MC Hip-Hop Classics	424	ShopHQ
1526	CMT HD	5101	MC Hit List	1146	Spike TV HD
526	CMT	5104	MC Indie	146	Spike TV
1216	CNBC HD	5145	MC Jazz	1337	Sprout HD
216	CNBC	5124	MC Kidz Only!	337	Sprout
1202	CNN HD	5150	MC Light Classical	1152	Syfy HD
202	CNN	5120	MC Love Songs	152	Syfy
1141	Comedy Central HD	5114	MC Metal	21	TBN (KPAZ)
141	Comedy Central	5138	MC Mexicana	1560	TBN HD
48	Daystar (KDTP)	5137	MC Musica Urbana	560	TBN
1121	Discovery Channel HD	5122	MC Party Favorites	1113	TBS HD
121	Discovery Channel	5131	MC Pop Country	113	TBS
1303	Disney Channel HD	5121	MC Pop Hits	5123	Teen MC
303	Disney Channel	5136	MC Pop Latino	39	Telemundo (KTAZ)
9999	DVR	5102	MC Pop Rhythmic	3007	Telemundo (KTAZ)
8016	Dysart Schools Educational Access	5109	MC R&B Classics	1039	Telemundo HD (KTAZDT)
1134	E! HD	5110	MC R&B Soul	6	The CW (KASW)
135	E!	5106	MC Rap	1006	The CW HD (KASWDT)
9	Eight Life (KAETDT2)	5112	MC Reggae	1225	The Weather Channel HD
7	Eight World (KAETDT3)	5117	MC Rock Hits	225	The Weather Channel
603	ESPN Classic	5113	MC Rock	2	This TV (KTVKDT2)
1602	ESPN HD	5140	MC Romances	1251	TLC HD
27	ESPN	5147	MC Singers & Swing	251	TLC
602	ESPN	5144	MC Smooth Jazz	1109	TNT HD
1606	ESPN2 HD	5119	MC Soft Rock	109	TNT
28	ESPN2	5130	MC Solid Gold Oldies	1255	Travel Channel HD
606	ESPN2	5141	MC Sounds of the Seasons	255	Travel Channel
1562	EWTN HD	5143	MC Soundscapes	1164	truTV HD
562	EWTN	5142	MC Stage & Screen	165	truTV
40	Exitos (KTAZDT2)	5108	MC Throwback Jams	1139	TV Land HD
1453	Food Network HD	5132	MC Today's Country	139	TV Land
453	Food Network	5125	MC Toddler Tunes	44	TV44 (KPHELD)
10	FOX (KSAZ)	5139	MC Tropicales	35	UniMas (KFPH)
1010	FOX HD (KSAZDT)	5126	MC Y2K	4005	UniMas HD
1210	FOX News Channel HD	14	Me-TV (KAZTDT2)	33	Univision (KTVW)
210	FOX News Channel	1634	MLB Network HD	1033	Univision HD (KTVWDT)
1620	FOX Sports 1 HD	634	MLB Network	1125	USA Network HD
620	FOX Sports 1	46	Movies! (KUTPDT2)	125	USA Network
9002	FOX Sports Pay Per View HD	1215	MSNBC HD	1102	Velocity HD
9001	FOX Sports Pay Per View	215	MSNBC	1519	VH1 HD
1762	FS Arizona HD	1503	MTV HD	519	VH1
1763	FS Arizona Plus HD	503	MTV	1	Video On Demand
763	FS Arizona Plus	193	Mun2	1180	WGN HD
762	FS Arizona	45	My Network TV (KUTP)	180	WGN

Prism™ Complete

Includes Prism™ Essential Plan channels.

1259	American Heroes Channel HD	381	Esquire TV	505	MTV2
259	American Heroes Channel	1211	FOX Business Network HD	315	Nick 2
1253	Animal Planet HD	211	FOX Business Network	1320	Nick Jr HD
253	Animal Planet	647	FOX College Sports Atlantic	320	Nick Jr
1188	BBC America HD	648	FOX College Sports Central	1316	Nicktoons HD
188	BBC America	649	FOX College Sports Pacific	316	Nicktoons
567	BYU TV	1621	FOX Sports 2 HD	1185	NUVOtv HD
1643	CBS Sports HD	621	FOX Sports 2	185	NUVOtv
643	CBS Sports	1535	Fuse HD	1256	Oprah Winfrey Network HD
515	Centric	535	Fuse	257	Oprah Winfrey Network
153	Chiller	1792	FX Movie Channel HD	1680	Outdoor Channel HD
161	Cloo	792	FX Movie Channel	680	Outdoor Channel
527	CMT Pure Country	1272	FYI HD	1531	Ovation HD
1456	Cooking Channel HD	272	FYI	531	Ovation
456	Cooking Channel	1529	Great American Country HD	1258	SCIENCE HD
1465	Destination America HD	529	Great American Country	258	SCIENCE
465	Destination America	1174	GSN HD	1642	Sportsman Channel HD
1335	Discovery Family HD	174	GSN	642	Sportsman Channel
335	Discovery Family	1274	H2 HD	322	Teen Nick
1307	Disney Junior HD	274	H2	507	Tr3s
307	Disney Junior	1794	Hallmark Movies & Mysteries HD	1790	Turner Classic Movies HD
1305	Disney XD HD	794	Hallmark Movies & Mysteries	790	Turner Classic Movies
305	Disney XD	1797	IFC HD	1157	TV One HD
1454	DIY Network HD	798	IFC	157	TV One
454	DIY Network	564	Inspiration Network	1104	Universal HD
1604	ESPN News HD	466	Life	521	VH1 Classic
604	ESPN News	184	Logo	522	VH1 Soul
1605	ESPNU HD	509	MTV Hits	1372	WE tv HD
605	ESPNU	510	MTV U	373	WE tv
1380	Esquire TV HD	1505	MTV2 HD	132	Youtoo America

Prism™ Preferred

Includes Prism™ Complete Plan channels.

220	Al Jazeera America	1172	MyDestination.TV HD	1852	Showtime HD (E)
159	ASPIRE	172	MyDestination.TV	1853	Showtime HD (W)
1470	AWE HD	1264	NASA TV HD	864	Showtime Next (E)
470	AWE	264	NASA TV	865	Showtime Next (W)
1219	BBC World News HD	1267	Nat Geo Wild HD	1864	Showtime Next HD (E)
219	BBC World News	267	Nat Geo Wild	1865	Showtime Next HD (W)
1540	Blue Highways TV HD	1209	One America News Network HD	880	Showtime On Demand
540	Blue Highways TV	209	One America News Network	1880	Showtime On Demand
1232	C-SPAN3 HD	1678	Outside TV HD	856	Showtime Showcase (E)
232	C-SPAN3	678	Outside TV	857	Showtime Showcase (W)
1169	Cars.TV HD	1684	PAC 12 Bay Area HD	1856	Showtime Showcase HD (E)
169	Cars.TV	684	PAC 12 Bay Area	1857	Showtime Showcase HD (W)
217	CNBC World	1685	PAC 12 Los Angeles HD	866	Showtime Women (E)
205	CNNI	685	PAC 12 Los Angeles	867	Showtime Women (W)
1142	Comedy.TV HD	1686	PAC 12 Mountain HD	1866	Showtime Women HD (E)
142	Comedy.TV	686	PAC 12 Mountain	1867	Showtime Women HD (W)
1163	Crime & Investigation HD	1687	PAC 12 Oregon HD	118	Smithsonian Channel (E)
163	Crime & Investigation	687	PAC 12 Oregon	119	Smithsonian Channel (W)
263	DoD News	1688	PAC 12 Washington HD	1118	Smithsonian Channel HD (E)
932	ENCORE (E)	688	PAC 12 Washington	1119	Smithsonian Channel HD (W)
933	ENCORE (W)	1682	PAC12 Network HD	1791	Sony Movie Channel HD
938	ENCORE Action (E)	682	PAC12 Network	791	Sony Movie Channel
939	ENCORE Action (W)	1170	Pets.TV HD	902	Starz! (E)
1938	Encore Action HD (E)	170	Pets.TV	903	Starz! (W)
942	ENCORE Black (E)	1492	Pivot HD	908	Starz! Cinema (E)
943	ENCORE Black (W)	492	Pivot	909	Starz! Cinema (W)
1942	Encore Black HD (E)	1787	PixL HD	1908	Starz! Cinema HD (E)
934	ENCORE Classic (E)	787	PixL	910	Starz! Comedy (E)
935	ENCORE Classic (W)	1458	Recipe.TV HD	911	Starz! Comedy (W)
1934	ENCORE Classic HD (E)	458	Recipe.TV	1910	Starz! Comedy HD (E)
946	ENCORE Espanol	1916	Retroplex HD	904	Starz! Edge (E)
944	ENCORE Family (E)	916	Retroplex	905	Starz! Edge (W)
945	ENCORE Family (W)	1538	Revolt HD	1904	Starz! Edge HD
1932	Encore HD (E)	538	Revolt	1902	Starz! HD (E)
1933	Encore HD (W)	1476	RFD TV HD	1903	Starz! HD (W)
951	ENCORE On Demand	476	RFD TV	906	Starz! In Black (E)
1951	Encore On Demand	474	RLTV	907	Starz! In Black (W)
936	ENCORE Suspense (E)	1607	SEC Network HD	1906	Starz! In Black HD
937	ENCORE Suspense (W)	1608	SEC Network Overflow 1 HD	912	Starz! Kids and Family (E)
1936	ENCORE Suspense HD (E)	608	SEC Network Overflow 1	913	Starz! Kids and Family (W)
940	ENCORE Westerns (E)	1609	SEC Network Overflow 2 HD	1912	Starz! Kids and Family HD
941	ENCORE Westerns (W)	609	SEC Network Overflow 2	931	Starz! On Demand
1133	ES.TV HD	607	SEC Network	1931	Starz! On Demand
133	ES.TV	1789	Shorts HD	575	The Word Network
890	Flix (E)	789	Shorts	882	TMC (E)
892	Flix On Demand	852	Showtime (E)	883	TMC (W)
1892	Flix On Demand	853	Showtime (W)	1882	TMC HD (E)
1656	Go! TV HD	854	Showtime 2 (E)	1883	TMC HD (W)
656	Go!TV (English)	855	Showtime 2 (W)	888	TMC On Demand
672	HRTV	1854	Showtime 2 HD (E)	1888	TMC On Demand
1914	Indieplex HD	1855	Showtime 2 HD (W)	884	TMC Xtra (E)
914	Indieplex	860	Showtime Beyond (E)	885	TMC Xtra (W)
1590	Jewish Broadcasting Service HD	861	Showtime Beyond (W)	1884	TMC Xtra HD (E)
590	Jewish Broadcasting Service	1860	Showtime Beyond HD (E)	1885	TMC Xtra HD (W)
1147	MAVTV HD	1861	Showtime Beyond HD (W)	670	TVG
147	MAVTV	858	Showtime Extreme (E)	644	Universal Sports
1116	MGM HD	859	Showtime Extreme (W)	1644	Universal Sports HD
116	MGM	1858	Showtime Extreme HD (E)	1559	UP HD
276	Military History	1859	Showtime Extreme HD (W)	559	UP
1788	MOVIEPLEX HD	862	Showtime Family (E)	1679	World Fishing Network HD
788	MOVIEPLEX	863	Showtime Family (W)	679	World Fishing Network

Prism™ Premium

Includes Prism™ Preferred Plan channels.

1840	5 Star Max HD	811	HBO Comedy (W)	812	HBO Zone (E)
840	5 Star Max	1810	HBO Comedy HD (E)	813	HBO Zone (W)
836	ActionMAX (E)	1811	HBO Comedy HD (W)	1812	HBO Zone HD (E)
837	ActionMAX (W)	806	HBO Family (E)	1813	HBO Zone HD (W)
1836	ActionMAX HD (E)	807	HBO Family (W)	1804	HBO2 HD (E)

1837	ActionMAX HD (W)	1806	HBO Family HD (E)	1805	HBO2 HD (W)
1846	Cinemax HD	1807	HBO Family HD (W)	834	MoreMAX (E)
846	Cinemax	1802	HBO HD (E)	835	MoreMAX (W)
832	Cinemax (E)	1803	HBO HD (W)	1834	MoreMax HD (E)
833	Cinemax (W)	814	HBO Latino (E)	1835	MoreMax HD (W)
1832	Cinemax HD (E)	815	HBO Latino (W)	1842	Movie MAX HD
1833	Cinemax HD (W)	1814	HBO Latino HD (E)	842	MovieMAX
850	Cinemax On Demand	1815	HBO Latino HD (W)	1844	Outer Max HD
1850	Cinemax On Demand	830	HBO On Demand	844	OuterMAX
802	HBO (E)	1830	HBO On Demand	838	ThrillerMAX (E)
803	HBO (W)	808	HBO Signature (E)	839	ThrillerMAX (W)
804	HBO 2 (E)	809	HBO Signature (W)	1838	ThrillerMax HD (E)
805	HBO 2 (W)	1808	HBO Signature HD (E)	1839	ThrillerMax HD (W)
810	HBO Comedy (E)	1809	HBO Signature HD (W)		

Premium Packages Available as Add-ons:

Preferred and Premium plans include select Add-on Channels.

Cinemax Add-on Package

1840	5 Star Max HD	833	Cinemax (W)	1842	Movie MAX HD
840	5 Star Max	1832	Cinemax HD (E)	842	MovieMAX
836	ActionMAX (E)	1833	Cinemax HD (W)	1844	Outer Max HD
837	ActionMAX (W)	850	Cinemax On Demand	844	OuterMAX
1836	ActionMAX HD (E)	1850	Cinemax On Demand	838	ThrillerMAX (E)
1837	ActionMAX HD (W)	834	MoreMAX (E)	839	ThrillerMAX (W)
1846	Cinemax HD	835	MoreMAX (W)	1838	ThrillerMax HD (E)
846	Cinemax	1834	MoreMax HD (E)	1839	ThrillerMax HD (W)
832	Cinemax (E)	1835	MoreMax HD (W)		

International-AI-Carte Add-on Package

3740	Al Jazeera America	3682	Filipino on Demand	3703	TV Asia
3710	Bollywood Hits on Demand	3802	Rai Italia	3680	TV Japan
3882	Channel One Russia	3704	Sony Entertainment Television Asia (SET Asia)	3832	TV5 Monde
3603	China Central TV	3706	STAR India PLUS	3702	Zee TV
3604	CTI-Zhong Tian Channel	3681	The Filipino Channel		

Paquete Latino Add-on Package

3146	Bandamax	3102	Discovery en Espanol	3056	La Familia Cosmovision
3053	Boomerang en Espanol	3103	Discovery Familia	3017	Latele Novela
3022	Cable Noticias	3051	Disney en Espanol	3149	Ritmoson Latino
3054	Cartoon Network en Espanol	3052	Disney XD Espanol	3078	TBN Enlace
3025	Cine Mexicano	3302	ESPN Deportes	3143	Telehit
3127	Cine Sony	3077	EWTN en Espanol	3024	TV Chile
3202	CNN en Espanol	3303	FOX Deportes	3013	WAPA America
3128	De Pelicula	3304	GoTV		
3129	De Pelicula Clasico	3104	History en Espanol		

Starz/Encore Add-on Package

932	ENCORE (E)	1951	Encore On Demand	910	Starz! Comedy (E)
933	ENCORE (W)	936	ENCORE Suspense (E)	911	Starz! Comedy (W)
938	ENCORE Action (E)	937	ENCORE Suspense (W)	1910	Starz! Comedy HD (E)
939	ENCORE Action (W)	1936	ENCORE Suspense HD (E)	904	Starz! Edge (E)
1938	Encore Action HD (E)	940	ENCORE Westerns (E)	905	Starz! Edge (W)
942	ENCORE Black (E)	941	ENCORE Westerns (W)	1904	Starz! Edge HD
943	ENCORE Black (W)	1914	Indieplex HD	1902	Starz! HD (E)
1942	Encore Black HD (E)	914	Indieplex	1903	Starz! HD (W)
934	ENCORE Classic (E)	1788	MOVIEPLEX HD	906	Starz! In Black (E)
935	ENCORE Classic (W)	788	MOVIEPLEX	907	Starz! In Black (W)
1934	ENCORE Classic HD (E)	1916	Retroplex HD	1906	Starz! In Black HD
946	ENCORE Espanol	916	Retroplex	912	Starz! Kids and Family (E)
944	ENCORE Family (E)	902	Starz! (E)	913	Starz! Kids and Family (W)
945	ENCORE Family (W)	903	Starz! (W)	1912	Starz! Kids and Family HD
1932	Encore HD (E)	908	Starz! Cinema (E)	931	Starz! On Demand
1933	Encore HD (W)	909	Starz! Cinema (W)	1931	Starz! On Demand
951	ENCORE On Demand	1908	Starz! Cinema HD (E)		

Showtime Add-on Package

890	Flix (E)	1858	Showtime Extreme HD (E)	1857	Showtime Showcase HD (W)
892	Flix On Demand	1859	Showtime Extreme HD (W)	866	Showtime Women (E)
1892	Flix On Demand	862	Showtime Family (E)	867	Showtime Women (W)
852	Showtime (E)	863	Showtime Family (W)	1866	Showtime Women HD (E)
853	Showtime (W)	1852	Showtime HD (E)	1867	Showtime Women HD (W)
854	Showtime 2 (E)	1853	Showtime HD (W)	882	TMC (E)
855	Showtime 2 (W)	864	Showtime Next (E)	883	TMC (W)
1854	Showtime 2 HD (E)	865	Showtime Next (W)	1882	TMC HD (E)
1855	Showtime 2 HD (W)	1864	Showtime Next HD (E)	1883	TMC HD (W)
860	Showtime Beyond (E)	1865	Showtime Next HD (W)	888	TMC On Demand
861	Showtime Beyond (W)	880	Showtime On Demand	1888	TMC On Demand
1860	Showtime Beyond HD (E)	1880	Showtime On Demand	884	TMC Xtra (E)
1861	Showtime Beyond HD (W)	856	Showtime Showcase (E)	885	TMC Xtra (W)
858	Showtime Extreme (E)	857	Showtime Showcase (W)	1884	TMC Xtra HD (E)
859	Showtime Extreme (W)	1856	Showtime Showcase HD (E)	1885	TMC Xtra HD (W)

HBO Add-on Package

802	HBO (E)	1806	HBO Family HD (E)	808	HBO Signature (E)
803	HBO (W)	1807	HBO Family HD (W)	809	HBO Signature (W)
804	HBO 2 (E)	1802	HBO HD (E)	1808	HBO Signature HD (E)
805	HBO 2 (W)	1803	HBO HD (W)	1809	HBO Signature HD (W)
810	HBO Comedy (E)	814	HBO Latino (E)	812	HBO Zone (E)
811	HBO Comedy (W)	815	HBO Latino (W)	813	HBO Zone (W)
1810	HBO Comedy HD (E)	1814	HBO Latino HD (E)	1812	HBO Zone HD (E)
1811	HBO Comedy HD (W)	1815	HBO Latino HD (W)	1813	HBO Zone HD (W)
806	HBO Family (E)	830	HBO On Demand	1804	HBO2 HD (E)

807 HBO Family (W)

1830 HBO On Demand

1805 HBO2 HD (W)

**TRADE SECRET/PRIVILEGED INFORMATION
CLASSIFICATION RATIONALE**

State: Minnesota

Description/Title of Information: Application of Qwest Broadband Services, Inc. d/b/a CenturyLink for a Competitive Cable Franchise Agreement with the City of Edina

Trade Secret/Privileged Designation Rationale:

Exhibit B to the Application of Qwest Broadband Services, Inc. d/b/a CenturyLink for a Competitive Cable Franchise Agreement with the City of Edina contains information that is considered Trade Secret because (1) CenturyLink makes reasonable efforts to ensure its privacy and (2) the data derives actual or potential independent economic value because the information is not generally known to, and not being readily ascertainable by proper means by, other persons who can obtain value from its disclosure or use. For this reason, Exhibit B to the Application of Qwest Broadband Services, Inc. d/b/a CenturyLink for a Competitive Cable Franchise Agreement with the City of Edina should be protected from public disclosure.

Exhibit B

Has Been Redacted

In Its Entirety

Prism Rates

	Prism Essential	Prism Complete	Prism Preferred	Prism Premium
Promotional Rate	\$54.99	\$69.99	\$ 84.99	\$114.99
Rack Rate	\$74.99	\$89.00	\$104.99	\$134.99

Exhibit C



CenturyLink™

Prism offered in the following markets pursuant to state or local franchises

<u>Locally Negotiated Franchises</u>	<u>Locally Negotiated Franchises</u>	<u>Statewide Franchises</u>
<p>Gulf Shores, AL Orange Beach, AL Baldwin County, AL</p> <p>Phoenix, AZ Chandler, AZ Mesa, AZ Queen Creek, AZ Glendale, AZ Peoria, AZ Scottsdale, AZ Surprise, AZ Goodyear, AZ Maricopa County, AZ Pinal County, AZ Buckeye, AZ Florence, AZ Gilbert, AZ Casa Grande, AZ Tempe, AZ Paradise Valley, AZ Apache Junction, AZ</p>	<p>Colorado Springs, CO Denver, CO Monument, CO Fountain, CO El Paso County, CO Gypsum, CO Eagle, CO Eagle County, CO Centennial, CO Littleton, CO Castle Rock, CO Parker, CO Jefferson County, CO Lone Tree, CO Douglas County, CO</p> <p>Papillion, NE Springfield, NE Gretna, NE Ralston, NE La Vista, NE Bellevue, NE Omaha, NE Douglas County, NE Sarpy County, NE</p> <p>Salt Lake County, UT</p>	<p>Las Vegas, NV North Las Vegas, NV Clark County, NV Henderson, NV</p> <p>Tallahassee, FL Fort Myers, FL Orlando, FL</p> <p>Columbia, MO</p> <p>Raleigh/Durham DMA, NC</p> <p>LaCrosse DMA, WI</p> <p>Council Bluffs, IA Pottawattamie County, IA Carter Lakes, IA</p>

Exhibit D



Company Structure

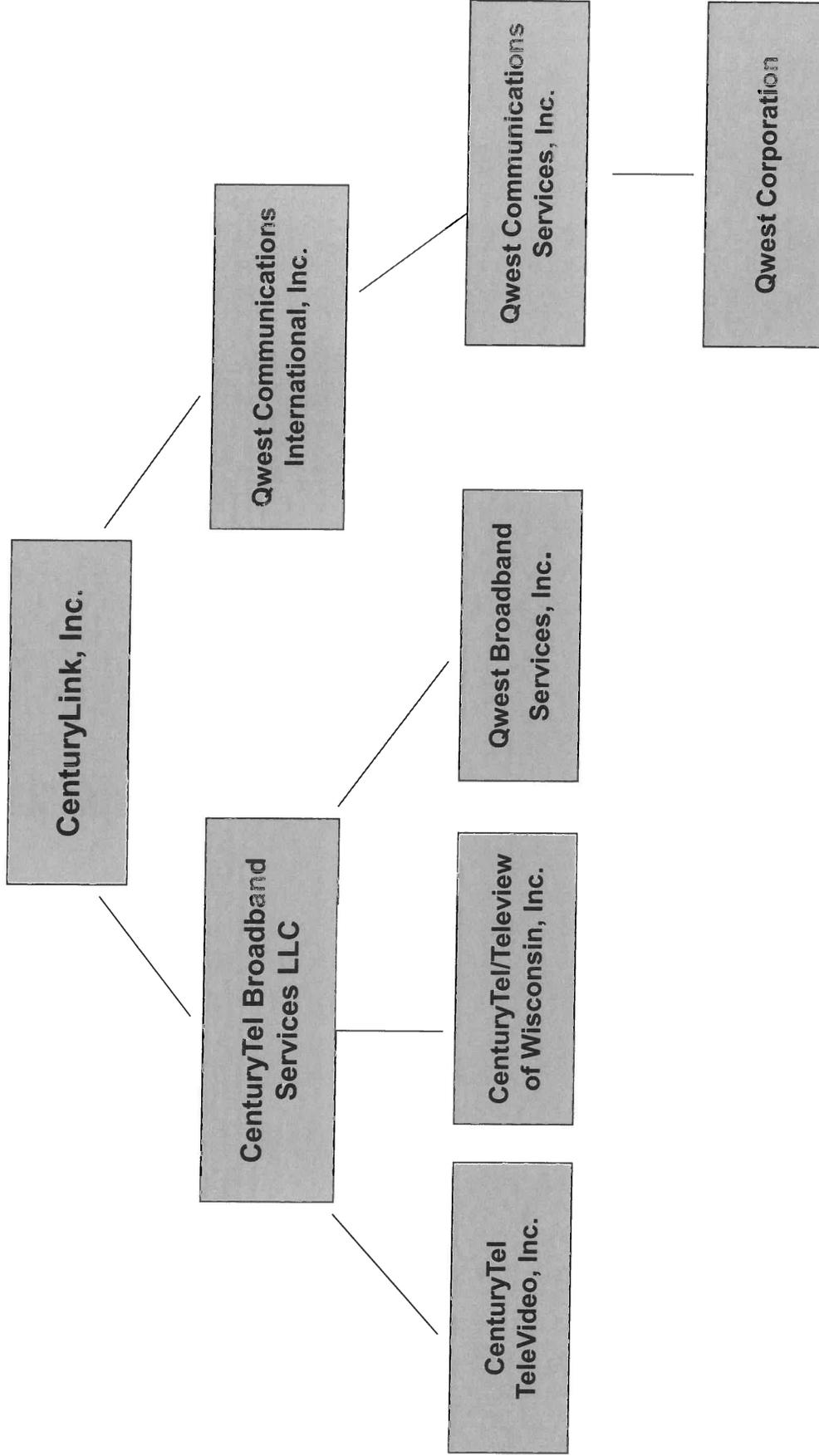


Exhibit E



SOUTHWEST SUBURBAN CABLE COMMISSION ("SWSCC")

2014 ANNUAL REPORT

Prepared by:

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**SOUTHWEST SUBURBAN CABLE COMMISSION
("SWSCC")**

2014 ANNUAL REPORT

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2014 SWSCC Members

Chair:	*Scott Neal, City Manager - City of Edina
Vice Chair:	*Patty Latham, IT Manager - City of Minnetonka
Secretary/Treasurer:	*Jim Genellie, Assistant City Manager – City of Hopkins
Directors:	*Rick Getschow, City Manager - City of Eden Prairie *Steve Devich, City Manager - City of Richfield Ron Case, Council Member - City of Eden Prairie Ann Swenson, Council Member - City of Edina Dick Allendorf, Council Member - City of Minnetonka Kristi Halverson, Council Member - City of Hopkins Pat Elliot, Council Member - City of Richfield
Commission Staff:	Brian T. Grogan, Attorney/Administrator

*Designates member of Managers' Committee

2014 SWSCC Meetings

As indicated below the Southwest Suburban Cable Full Commission met two times during 2014. The meeting minutes are attached.

1. Full Commission meeting - Wednesday, April 23, 2014; and
2. Full Commission meeting - Wednesday, December 3, 2014.

2014 SWSCC Expenses/Income

1. **2014 Annual Operating Budget.** The 2014 budget was approved by the Commission at the October 23, 2013 meeting.

SOUTHWEST SUBURBAN CABLE COMMISSION	
Operating Expenses	2014 Budget
Legal and Administrative Costs	\$42,500.00
Seminar Expenses	
MACTA Conference	\$1,050.00
NATOA Conference	\$2,600.00
Insurance	
League of MN Cities	\$2,100.00
Memberships	
MACTA	\$3,500.00
NATOA	\$450.00
Alliance for Community Media	\$100.00
Access Playback Personnel	\$32,805.00
Contingency	\$7,500.00
Total Operating Expenses	\$92,605.00
Capital Expenses	
Playback Equipment	\$6,320.00
City of Bloomington Access Facilities	\$15,000.00
Total Capital Expenses	\$21,320.00
TOTAL EXPENSES	\$113,925.00

2. **2014 Franchise Fee Payments**

Member City	2014 1st Quarter	2014 2nd Quarter	2014 3rd Quarter	2014 4th Quarter	2014 Total	% of subs
Eden Prairie	\$203,141.80	\$208,177.58	\$203,725.55	\$205,930.32	\$820,975.25	27%
Edina	\$198,460.77	\$203,626.07	\$201,720.62	\$204,930.32	\$808,737.78	25%
Hopkins	\$55,857.39	\$57,471.51	\$56,437.60	\$58,312.00	\$228,078.50	9%
Minnetonka	\$196,626.46	\$201,596.55	\$198,870.56	\$200,516.55	\$797,610.12	25%
Richfield	\$89,170.86	\$90,648.35	\$88,741.08	\$89,885.11	\$358,445.40	14%
TOTAL	\$743,257.28	\$761,520.06	\$749,495.41	\$759,574.30	\$3,013,847.05	100%

EXHIBIT A

MINUTES Southwest Suburban Cable Commission Wednesday, April 23, 2014

At approximately 4:05 p.m. Mr. Scott Neal called the meeting to order. Those present included: Mr. Rick Getschow and Dr. Ron Case of Eden Prairie, Mr. Scott Neal and Ms. Ann Swenson of Edina, Mr. Jim Genellie and Ms. Kristi Halverson of Hopkins, Ms. Patty Latham of Minnetonka and Mr. Steve Devich of Richfield. Guests present included Ms. Nathalie Gage, Community Television Administrator, Ms. Karly Werner and Ms. Kate Hensing of Comcast. Staff present included Mr. Brian Grogan and Ms. Terri Hammer of Moss & Barnett.

1. **CONSENT AGENDA**

Mr. Devich moved to accept the Consent Agenda items and Ms. Swenson seconded the motion. Mr. Neal called for a vote on the motion and all those present voted in favor of adopting the consent agenda items.

2. **NEW BUSINESS**

A. 2014 Election of Officers. Motion was made by Ms. Swenson to approve the following slate of officers: Mr. Neal - Chair, Ms. Latham - Vice Chair, and Mr. Genellie - Secretary/Treasurer. The motion was seconded by Ms. Halverson and the motion passed.

B. 2013 Annual Report. Mr. Grogan briefly described the Annual Report. Mr. Genellie moved to approve the 2013 Annual Report. Motion was seconded by Mr. Getschow and the motion passed. Ms. Hammer will finalize the 2013 Annual Report and distribute to a representative of each member city.

C. 2014 List of Directors. Mr. Grogan referenced the attached list of the present directors and administrative representatives of the Commission. Mr. Neal made one correction to his email address. Ms. Hammer will redistribute to a representative of each member city.

3. **SECRETARY/TREASURER'S REPORT**

A. Treasurer's Report and Approval of Claims. [*handouts attached to agenda packet*] Mr. Genellie reviewed the Treasurer's Report and Approval of Claims. Mr. Devich moved to accept the Claims' Report and Treasurer's Report and Ms. Swenson seconded the motion. Motion passed.

B. Insurance Waiver. Mr. Genellie's advice to the Commission is to "not waive" the monetary limits on municipal tort liability insurance. Ms. Halverson moved to "not waive" the monetary limits on municipal tort liability insurance and Mr. Getschow seconded the motion. Motion passed.

4. ***ATTORNEY/ADMINISTRATOR'S REPORT***

A. Access Programming Update. Discussion was held regarding how to ensure programming is submitted after equipment checkout has occurred.

B. Customer Service – Basic 1 Encryption. Cities have received complaints from subscribers regarding the equipment fees that Comcast charges. Mr. Grogan explained that the cities have no authority to regulate equipment fees.

C. Commission Web Site. Mr. Devich made a motion to move ahead with creating a web site for the Commission. Ms. Swenson seconded the motion. Moss & Barnett will mock-up a home page and gather costs to be discussed at the next Full Commission meeting.

D. Comcast/Time Warner Merger. Mr. Grogan explained the merger and the steps that will occur over the next several weeks to review the transaction.

E. Legislative Update. Very limited action in the legislature on cable communications bills this session. More information will be provided as it becomes available.

5. ***MANAGER'S COMMITTEE REPORT***

The Managers' Committee had nothing to report.

6. ***COMPANY REPORT***

The Commission received correspondence from Comcast dated January 29, 2014 through March 19, 2014.

7. ***NEXT MEETING DATE***

The next regular Full Commission meeting is Wednesday, October 22, 2014 at 4:00 p.m. at the Hopkins City Hall.

8. ***ADJOURNMENT***

At approximately 5:05 p.m. Mr. Devich moved to adjourn the meeting and Mr. Genellie seconded the motion. Motion passed.

MINUTES
Southwest Suburban Cable Commission
Wednesday, December 3, 2014

At approximately 4:00 p.m. Mr. Scott Neal, Commission Chair, called the meeting to order. Those present included Mr. Rick Getschow and Dr. Ron Case of Eden Prairie, Mr. Scott Neal and Ms. Ann Swenson of Edina, Mr. Jim Genellie and Ms. Kristi Halverson of Hopkins, Ms. Patty Latham and Mr. Richard Allendorf of Minnetonka. Guests present included Ms. Karly Werner and Ms. Kate Hensing of Comcast, Ms. Nathalie Gage, SWTV and Mr. Jeff Strate, public access producer. Staff present included Mr. Brian Grogan and Ms. Terri Hammer of Moss & Barnett.

1. CONSENT AGENDA

A. Mr. Devich moved to accept the Consent Agenda and Mr. Genellie seconded the motion. Mr. Neal called for a vote on the motion and all those present voted in favor of adopting the consent agenda.

2. ATTORNEY/ADMINISTRATOR'S REPORT

A. SWTV Report – Ms. Gage summarized the SWTV report located in the agenda packet. Ms. Gage discussed equipment back-up should blackouts and/or outages occur. She will research how other commissions handle these situations and present options for the Commission's consideration at its April 2015 Full Commission meeting.

B. Comcast/Midwest Cable Transfer – Mr. Grogan presented an overview of the proposed transfer of the cable television franchise, the Transfer Report, proposed Resolution and Guaranty and related timing. Mr. Devich moved to recommend adoption by each member city of the Resolution and Guaranty as presented. Ms. Swenson seconded the motion. Motion passed unanimously.

C. Bloomington Studio. Mr. Grogan reported that the City of Bloomington is pleased with the current agreement and offered the Commission a one year renewal of the existing Agreement under the same terms and conditions. Bloomington provided the Addendum #2 located in the agenda packet. Ms. Swenson moved to sign Addendum #2 to the Agreement between Bloomington and the Southwest Suburban Cable Commission renewing for one year - January 1, 2015 through December 31, 2015. Dr. Case seconded the motion. Motion passed.

3. SECRETARY/TREASURER'S REPORT

A. Treasurer's Report and Approval of Claims. Mr. Genellie reviewed the Treasurer's and Claims Reports as provided in the agenda packet. Mr. Devich moved to accept the Claims' Report and Treasurer's Report and Mr. Getschow seconded the motion. Motion passed.

B. 2015 Annual Budget. Mr. Grogan discussed the draft 2015 Annual Budget. Mr. Genellie moved to adopt the 2015 annual budget. Motion was seconded by Dr. Case. Motion passed.

4. **MANAGER'S COMMITTEE REPORT** - Nothing to Report.

5. **COMPANY REPORT**

The Commission received correspondence from Comcast during May 7, 2014 through September 29, 2014 as identified in the agenda packet.

Company staff thanked the Commission for its patience during the transfer process.

Company staff reported a new partnership with UPS for subscriber's use in returning equipment.

6. **NEXT MEETING DATE**

The next regular Full Commission meeting is Wednesday, April 22, 2015 at 4:00 p.m. - Minnetonka City Hall.

7. **ADJOURNMENT**

Mr. Devich moved to adjourn the meeting. Motion was seconded by Mr. Genellie. Meeting adjourned at approximately 5:20 p.m.

**SOUTHWEST SUBURBAN CABLE COMMISSION
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