

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Implementation of Section 621(a)(1) of the Cable)	MB Docket No. 05-311
Communications Policy Act of 1984 as Amended)	
by the Cable Television Consumer Protection and)	
Competition Act of 1992)	

COMMENTS OF CITY OF SHERWOOD

City of Sherwood appreciates the opportunity to file comments on the Second Further Notice of Proposed Rulemaking (“FNPRM”) in the above-referenced docket. We strongly oppose the tentative conclusions in the FNPRM that cable-related in-kind contributions are franchise fees and that local governments have no authority regarding cable operators’ use of the rights of way to provide non-cable services.

The City of Sherwood is a small suburb of roughly 19,000 residents in the SW corner of the Portland, Oregon metro area. The city is served by two cable operators that provide vital resources to our community. These resources both financial and in-kind include but are not limited to providing PEG channels for broadcasting public information to our residents, funding public services, and providing discounted service for economically disadvantaged residents.

With a potential reduction in franchise fees the City of Sherwood will likely be forced to cut public services such as those handled by our Police, Library, and Parks departments. Sherwood will also have to take a serious look at whether maintaining its PEG channels is financially feasible. Currently the City of Sherwood uses general fund dollars to operate and maintain the city’s PEG channel. If those funds were to be reduced as a result of less franchise fees the City will have to

seriously consider the feasibility of maintaining a PEG channel. This would be a significant loss to our residents as the PEG channel serves as a key way to communicate and alert our community.

The city has had long standing franchise agreements with its cable providers and it's been understood by both parties that in-kind services are not franchise fees but rather a requirement of the franchise. A change at the federal level regarding these in-kind services would be contrary to these signed agreements and the understanding that the city and cable providers have operated under. Furthermore, using the proposed fair market value in determining the value of these in-kind services could lead to arbitrary changes in franchise fees with little opportunity for a small city to challenge such changes.

The City of Sherwood feels strongly that build-out requirements are not franchise fees and is glad to see that tentatively the FCC has come to that conclusion. Similarly, the city believes that most if not all additional commitments as described in our franchise are for the benefit of the Sherwood community and not the Local Franchise Authority. Whether it be the capacity to broadcast our PEG channel, the Electronic Programming Guide, complementary cable service for schools and public building, or discounted service for low income residents, we believe this benefits the community and not the LFA. Our franchise agreements address this issue specifically and both of our cable operators have agreed that these additional commitments are not franchise fees.

As mentioned, the City of Sherwood does operate a PEG channel where it broadcasts public meetings, provides city information, and is a tool we can use for sending out public alerts. This channel has great value to the whole community and is another medium for distributing important city information. While the city distributes information through several mediums we've learned over the years that the PEG channel is heavily used by our large elderly population and

therefore a loss of this PEG channel due to reductions in funding could affect an important subset of our community.

In concluding, the City of Sherwood respects the tough decisions before the Federal Communication Commission but urge it consider the impact these decisions will have on local communities. Sherwood has had a good working relationship with its cable operators and had jointly negotiated the terms and conditions of the franchise agreements. Changing those terms at the federal level would be contrary to those agreements and appear to only benefit the cable operator. The City of Sherwood respectfully asks that you take this and the community benefits that would potentially be lost with this proposed rule change into consideration as you make your final ruling.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Keith Mays', is positioned above the printed name.

Keith Mays

Mayor – City of Sherwood
22560 SW Pine St.
Sherwood, OR 97140

10/25/2018