The following inquiry has been sent to Dan Glanville, the Vice President of Government/Regulatory Affairs and Community Impact at Comcast Cable in Springfield MA. It concerns the calculation of the impact of the FCC’s proposed rule change (Docket 05-311) on funding for local access television. I post it here as a comment on the FCC’s response to the federal district Court remand. See the agency’s request for input on the calculation of “in kind” contributions proposed to be included in the 5% franchise fee cap (p. 13 of the FNRPN).

Also, to be honest, I do not see how the FCC can implement a rule change of this magnitude without evaluating the impact on local access, a key aspect of the federal enabling legislation for cable.

Dear Mr. Glanville:

My name is Jeff Singleton and I live in Montague Massachusetts. Some years ago I briefly served on the staff of our local access television station, Montague Community Television, which as you know is funded by franchise fees under a Comcast license. I also cover local policy issues, including issues related to cable television and local access, for our local newspaper, the *Montague Reporter*.

As you probably know there has been a great deal of concern about the proposed federal rule change currently before the Federal Communications Commission (FCC) that would apply so-called “in kind” contributions to towns and local access entities to the mandated 5% cap on franchise fees. In particular, concern has been expressed that applying the “fair market value” of, say, PEG channels required under franchise agreements would reduce franchise fees to the point where local access would no longer be viable.

However it has been very difficult for me to evaluate these concerns without knowing how Comcast would value in-kind contributions and to what degree the proposed rule would reduce funds our local access station receives. Specifically, I would like to know how Comcast, as the cable provider for Montague, would value the PEG channels in your system and the impact this would have on annual payments to the local access station.

In this context I note the following section in FCC 18-131 (Docket 05-311), the agency’s response to the Federal District Court decision to remand the proposed new rule back to the FCC for clarification:.

“We request commenters to provide examples of the types of cable-related, “in-kind” contributions that have been or are being required by LFAs. We further propose that cable-related, in-kind contributions be valued for purposes of the franchise fee cap at their fair market value. We seek comment on this proposal, and how such a market valuation should be performed. Alternatively, we seek comment on whether cable-related, in-kind contributions should be valued at the cost to the cable operator. “ (Second FNRPM, p. 13)”

Has Comcast responded to this request by the FCC? It seems to me that Montague could provide a good case study of the impact of the proposed rule change on local access in a “rural” town. Crunching some numbers would also help the town plan for the future, which could be very soon.

Sincerely,

Jeff Singleton Montague Reporter singleton.jeff47@gmail.com 413-768-8167