



NORTHERN DAKOTA COUNTY CABLE
COMMUNICATIONS COMMISSION
5845 Blaine Avenue
Inver Grove Heights, Minnesota 55076-1401
651/450-9891 Fax 651/450-9429 e-mail: NDC4@townsquare.tv

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Amendment to the Commission's Rules Concerning Effective Competition and Implementation of Section 111 of the STELA Reauthorization Act, MB Docket No. 15-53

Dear Ms. Dortch:

The Northern Dakota County Cable Communications Commission ("NDC4") is a municipal joint powers cooperative formed in 1982 by the seven cities of Inver Grove Heights, Lilydale, Mendota, Mendota Heights, South St. Paul, Sunfish Lake, and West St. Paul (the "Member Cities"). NDC4 serves as the local franchise authority (LFA) representing approximately 21,000 cable subscribing households in suburban St. Paul, Minnesota. NDC4 negotiated a Cable Television Franchise Ordinance with MediaOne of St. Paul, Inc. ("MediaOne") adopted by all of the Member Cities on or about April 1, 2000 ("Franchise"). Comcast of Minnesota, Inc. ("Comcast") is the successor in interest to MediaOne under the Franchise.

NDC4 has been certified for many years to exercise rate regulation authority under the FCC's rules. NDC4 also oversees the local Public, Education, Government ("PEG") channels and programming serving the Member Cities.

Enclosed is a letter NDC4 received from Comcast just ONE WEEK after Comcast terminated its proposed acquisition of Time Warner and spin-off of Twin Cities cable systems to GreatLand Connections/Charter. Please see the attached rate increase announcement to be EFFECTIVE JUNE 1, and AUGUST 1, 2015, where Comcast notified its subscribers of the following:

- A NEW "broadcast fee" of \$1.50 per month
- A NEW "regional sports fee" of \$1.00 per month
- A \$1.00 (50%) increase in the high def DTA fee per month
- Several increases to additional outlet services ranging from \$.50 to \$2.50 per month

NDC4 requests that the Commission NOT act to take away LFA authority to protect local consumers. NDC4 desires to use basic rate regulation authority to conduct a review and possibly file a complaint on the above referenced Comcast rate increases, to protect our local consumers as much as possible, given the limited authority provided to LFAs over Basic One services, Basic One equipment, and technical support related to Basic One.

This is a significant rate increase for consumers.

Just in our relatively small part of the Twin Cities cable market, the first three increases on the list above would calculate to roughly \$872,000 per year, or approximately \$25 Million annually in new Comcast revenue in the Twin Cities area, so imagine what that would be multiplied by the entire region or country.

NDC4 will use its rate regulatory authority to review whether these rate increases are justified.

Not only do these new Comcast fees cause a substantial rate increase (33% for Basic One), but they will also create a stack of “fees” on the subscribers’ bills that will cause confusion and mislead consumers. Customers may not understand the difference between these new Comcast “fees” (such as “broadcast fee” and “regional sports fee”) and legitimate fees that are actually collected from consumers and remitted to government agencies for established public benefits, such as the FCC regulatory fee, local government franchise fees, and local programming (“PEG”) fees.

Local governments’ regulatory authority over Basic One rates, equipment, and technical services is not obsolete in today’s marketplace.

The Basic One tier of service provides essential connections to the community at an affordable rate. Without the FCC’s rate regulations in place low income customers, households without smart phones or high speed internet, households without new modern television equipment, and some elderly or “low-tech” subscribers may have no ability to access an affordable communications service. The Basic One tier of service that is available to customers in the NDC4 service area currently has approximately 31 channels of service, including broadcast and PEG, for less than \$15 per month. Our PEG channels provide local government meetings, local news, school and educational programming, health and social services information, community, faith, and entertainment programming, all relevant here in the neighborhoods where people live and work. If these PEG channels are placed in more expensive tiers of service that also require more expensive equipment, they may become unavailable to many residents that depend on PEG for local community information.

Preserving Basic One protects local PEG programming in the changing marketplace.

Many subscribers who obtain video content via Dish, Broadcast, or Internet television choose to subscribe to Basic One cable service for the purpose of receiving the local PEG channels. By having the Basic One service available for about \$15 per month, our local non-profit PEG station continues to receive some (albeit more limited) franchise fee and PEG fee funding to support our operation, and these residents have access to this important community connection (PEG channels) along with their chosen package of television.

Basic One rate regulation is needed through the transition to more competition.

NDC4 has received an application for a second wireline cable competitor, and we hope to be granting a second cable franchise sometime in 2015. If we are successful, the deployment of a second wireline video service will roll out in our community over the next five years. But the benefits of Basic One cable rate regulation are needed to protect consumers and provide an important transition until we get to the point of true competition (and ideally TWO wireline competitors providing our PEG channels).

However the Commission determines to proceed, it should take steps to maintain the following pro-consumer benefits of current Commission regulations:

- 1) Uniform rate structure - 47 C.F.R. § 76.984 - which requires a uniform rate structure throughout a franchise area with respect to the rates charged by a cable operator for basic service, cable programming service, and associated equipment and installation charges. This would prevent neighbors from being charged different rates for the same service. ALL residents will have the same access to the pricing from each cable operator across the community, even where true cable competition may not exist. Uniform pricing would also prevent harmful unfair predatory pricing during the build-out period of a new competitor, allowing the new entrant to develop and establish robust competition for consumers as it enters the wireline video market.
- 2) Charges for change of service - 47 C.F.R. § 76.980 - which places limitations on the charges which can be imposed by a cable operator on a customer for various changes in the services which the customer selects from the cable operator; and
- 3) Negative option billing - 47 C.F.R. § 76.981- which prohibits negative option billing by a cable operator. Without this safeguard nothing prohibits a cable operator from imposing negative option charges on a subscriber.

Effective Competition filings are a barrier to LFAs protecting consumers locally.

NDC4 understands that some of our fellow LFAs in the Twin Cities conducted extensive financial and legal rate reviews about two years ago when Comcast first implemented its DTA fee (framed as a “service” fee when it is a charge for a piece of equipment related to Basic One). While we are told that the FCC agreed with and affirmed several of the rate findings of these Minnesota LFAs, unfortunately the LFA’s have been unable to act to protect their local consumers because of cable operator “effective competition” filings on some of these communities. We see no benefit to consumers of these effective competition filings. We have seen no market data proving that whether or not a community has 15% or more dish penetration has a meaningful impact on cable TV rates. In fact, the effective competition rules create a barrier to local governments and LFAS ability to protect consumers from unreasonable cable rate increases, especially for those households least able to afford it, as described above.

While the marketplace is in transition and television viewing is rapidly changing through the convergence of voice, video, and data services, the Commission must not prematurely take away valuable and necessary protections for consumers, local PEG stations, and local governments.

Sincerely,

A handwritten signature in blue ink that reads "George Tourville" followed by a stylized flourish that appears to be "gmm".

George Tourville
Mayor of Inver Grove Heights, MN
Chair of NDC4 Cable Commission

cc: Bill Lake, Michelle Carey, Holly Saurer, Mary Beth Murphy, Steven Broeckaert, Diana Sokolow

RECEIVED MAY 04 2015



May 1, 2015

Ms. Jodie Miller
Executive Director
NDC Cable Communications
5845 Blaine Avenue
Inver Grove Heights, MN 55076

Dear Jodie:

At Comcast we are committed to constantly improving your entertainment and communications experience, and we continue to invest in making your services even better. As we make these and other investments, we periodically need to adjust prices due to increases we incur in business costs. Starting June 1, 2015, new prices will apply to select XFINITY TV and Internet services and equipment will change. We've included the changes in this notice.

Enclosed with this letter are the ad pages that began running in customers' bills on 5/1.

As always, should you have any questions please don't hesitate to contact me at 651-493-5777.

Sincerely,

Karly Werner
Director, Government Affairs

Comcast Products And Services Price List

Andover, Anoka, Champlin, Ramsey, Columbia Heights, Hilltop, Mounds View, New Brighton, North Oaks, Roseville, St. Anthony, Shoreview, Birchwood, Dellwood, Grant, Lake Elmo, Mahtomedi, Maplewood, North Saint Paul, Oakdale, Vadnais Heights, White Bear Lake, White Bear Township, Willernie, Hudson, North Hudson, Fridley, St. Louis Park, Burnsville, Eagan, Pine Springs, Gem Lake, Landfall, Coon Rapids, Blaine, Centerville, Circle Pines, Ham Lake, Lexington, Lino Lakes, Spring Lake Park, Arden Hills, Falcon Heights, Lauderdale, Little Canada, Hanover-Hennipen, Brooklyn Center, Brooklyn Park, Crystal, Golden Valley, Maple Grove, New Hope, Osseo, Plymouth, Robbinsdale, St. Paul, Inver Grove Heights, Lilydale, Mendota, Mendota Heights, South St. Paul, Sunfish Lake, West St. Paul, Minneapolis, University of Minnesota, Richfield, Eden Prairie, Minnetonka, Hopkins, Edina, Bloomington, Lakeland, Lakeland Shores, St. Croix Beach, St. Mary's Point, Afton, West Lakeland, Hastings, Denmark Township, Cottage Grove, Woodbury, Newport, Saint Paul Park, Grey Cloud Island, Prescott, Bayport, Oak Park Heights, Stillwater, Baytown Township, Stillwater Township

Important Information Regarding Your XFINITY Services And Rates

At Comcast, we are committed to constantly improving your entertainment and communications experience, and we continue to invest in making your services even better. As we make these and other investments, we periodically need to adjust prices due to increases we incur in programming and other business costs.

Starting on **June 1, 2015***, the prices of select XFINITY® TV and Internet services and equipment will change. **We've included the changes in this notice.**

Among these price changes, we have itemized a Regional Sports fee for customers receiving Starter service tiers and above to offset the rising costs of distributing regional sports networks. Additionally, we have itemized a Broadcast TV Fee in order to defray the rising costs of retransmitting broadcast television signals. In recent years, the cost of retransmitting broadcast television signals has increased significantly, and we want to address these more recent increases through a separate itemized charge so that they are clear to you.

If you're currently receiving services on a promotional basis, under a minimum term agreement associated with a specific rate, or in the guaranteed period of one of our SurePrice™ plans, the prices for those specific services will not be affected during the applicable period.

Have questions? Please visit us at comcast.com/questions or call us at **1-855-688-9460**.

*Video Installation Fee increases will take effect August 1, 2015

XFINITY TV

BASIC SERVICES

	Current Price	New Price
Broadcast TV Fee	N/A	\$1.50

BASIC AND DIGITAL ANCILLARY SERVICES

	Current Price	New Price
HD DVR Service (Primary Outlet)	\$17.95	\$19.95
Digital Additional Outlet Service with HD DVR Service	\$17.95	\$19.90
Digital Adapter Additional Outlet Service (SD or HD)	\$1.99	\$2.99
Includes Digital Adapter Equipment at \$0.50		

VIDEO EQUIPMENT

	Current Price	New Price
HD Digital Converter (Limited Basic Only)	\$2.20	\$2.00
CableCARD (Second Card in Same Device)	\$1.00	\$0.80

VIDEO INSTALLATION FEES

	Current Price	New Price
Unwired Home (Standard Installation)	\$44.50	\$38.50
Wired Home (Standard Installation)	\$32.00	\$29.50
Hourly Service Charge (Custom Installation)	\$35.00	\$34.50

VIDEO INSTALLATION FEES* (EFFECTIVE AUGUST 1, 2015)

	Current Price	New Price
New Additional Outlet (After Initial Installation of Service)	\$32.00	\$32.50
Activate Pre-Existing Additional Outlet (After Initial Installation of Service)	\$22.00	\$24.00
Relocate Additional Outlet (After Initial Installation of Service)	\$29.50	\$32.00
Connect VCR/DVD (Initial Installation of Service)	\$7.50	\$8.00
Connect VCR/DVD (After Initial Installation of Service)	\$18.50	\$19.00
Upgrade of Service (In-Home Visit Required)	\$27.50	\$29.00
In-Home Service Visit	\$36.00	\$36.50

DOUBLE PLAY PACKAGES

	Current Price	New Price
Internet Plus	\$69.95	\$72.95

MISCELLANEOUS FEES

	Current Price	New Price
Regional Sports Fee (Applies to XFINITY TV Digital Starter and above)	N/A	\$1.00

5010-5090, 5110-5120, 5140-5580, 5630-5810, 5840-5850, 5900-6220

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