Report To the the Sanbornton Board of Selectmen From the Franchise Agreement Advisory Committee

Background

At the 2018 Sanbornton Town Meeting, it was resolved to form an advisory committee to provide the Board of Selectmen and their legal representatives, the law firm of Donahue, Tucker & Ciandella, PLLC (DTC) with input to consider when negotiating the renewal of the Town's Cable Franchise Agreement (CFA). The Franchise Agreement Advisory Committee (FAAC) was seated in June 2018 to fulfill that resolution.

As of August 2018, the Town has a CFA with Atlantic Broadband Communication (ABC). The original CFA dates from 1991, and has been amended and extended several times. In 2000, the CFA was assumed by MetroCast through an acquisition of the previous provider, and the agreement underwent a significant amendment with the introduction of a "density formula" (to be discussed later). Following the completion of some mandated infrastructure repairs/upgrades, the Sanbornton Board of Selectmen (BoS) extended the MetroCast CFA to 2011. In 2011, the Town (through DTC) proposed some changes to the CFA which were not accepted by MetroCast. Subsequently, the CFA in its current form was extended to March 2018. In January 2018, MetroCast was acquired by ABC, and in March the CFA was given a short-term extension to September 2018 to allow preparation for the negotiations.

As a point of reference, all the surrounding towns have recently completed CFA renewals. They include Belmont (2014 - MetroCast), Franklin (2013 - MetroCast), Northfield (2013 - MetroCast), and Tilton (2018 - MetroCast). 1 All of those franchises were transferred to ABC.

Scope of the CFA

According to New Hampshire law (RSA 53-C), Towns are required to enter into CFA in order for any company to "construct, commence construction, or operate a cable television system in any municipality". It is important to note that the RSA dates from 1974 and the last significant updates were in 1989. As a result, the CFA applies solely to the cable television service being provided by the franchisee. Although most (if not all) cable service providers today offer services such as high-speed Internet and voice/telephone service, those services are not subject to negotiation or management under a CFA. They are suitable topics for discussion during CFA negotiation in terms of incentive to a provider to expand service in a town (since they represent opportunities for increased revenue), but they will not be called out in the signed CFA.

http://www.gencourt.state.nh.us/rsa/html/iii/53-c/53-c-mrg.htm

¹2 <u>http://www.iwantbroadbandnh.org/cable-franchise-agreements</u>

According to the existing CFA and the law, in order to deny a franchise renewal, either (1) the Town must have documented failures by the franchisee to live up to the terms of the CFA, must have allowed the franchisee the opportunity to remedy the deficiencies, and the franchisee must have failed to do so, or (2) the franchisee has presented a proposal for renewal of the franchise which is not reasonable under the circumstances, which is determined in part by looking at other franchise agreements offered to other communities and in part by the financial burden on the company. The Town, through DTC, submitted audit questions to ABC for response, which responses were received in September 2018. DTC is preparing follow up questions to ABC on some of its answers. At present, the Town does not have grounds to deny renewal of the franchise to ABC. The parties are in informal negotiations to reach an agreement on a renewal franchise agreement.

Although state and federal law require that franchise agreements be non-exclusive, which would allow several cable service providers to operate in the same municipality, the reality is that the start-up cost for a provider in smaller towns to install the necessary infrastructure (poles, wiring/fiber lines, etc.) is often prohibitively expensive - especially for a relatively small subscriber base. The existing cable infrastructure (cable, junction boxes, etc.) is private property that belongs to ABC. Any competitor wishing to offer service in Town would have to install their own infrastructure in order to offer cable TV, which is very expensive – which is why is does not happen very often. We are seeing this change, particularly in the ABC franchise area, where Comcast has recently completed negotiations on a competitive cable TV franchise in the City of Rochester and is seeking competitive franchises in the City of Laconia and in the Town of Gilford. This is particularly encouraging to Sanbornton, given its proximity to these towns. The arrival of possible competition does not change the Town's obligation to negotiate a renewal of the ABC franchise, as there are no grounds to deny it, but competition may arrive which would provide residents with choices for their cable TV provider.

FAAC Approach - Cable TV Survey and Area Evaluation

The FAAC initially undertook two streams of activity related to the pending CFA negotiations.

The first action was to initiate a survey of Town residents to collect information to allow the Committee to understand the concerns and the priorities of the residents. The survey was released to the public on July 18 and remained open until August 17. Hardcopy forms were made available at the Town Offices, Town Library, and the Town Transfer Station. An online version was also available for residents to complete and submit electronically.

Beginning with a draft survey provided by DTC, the FAAC developed a 10-question survey (Enclosure 1) that was made available to residents. The survey was designed to be anonymous, although street location was requested to help identify any trends when it came to self-reported service issues. Although the CFA only addresses cable television service, the FAAC recognizes the importance of both high-speed Internet and telephone service to the quality of life of residents, so questions about those services were included.

The survey ultimately received 97 responses, which represents approximately 3.2% of the Town's population. That equates to a margin of error of +/- 10% with a 95% confidence factor, given the Town's estimated population of 3000. Based on the data provided in the 2017 annual CFA report from MetroCast

(the latest available), there were 1225 cable television subscriber households in Sanbornton.¹ Being a current cable subscriber was not a criterion for participation, and there was nothing in the survey design that prevented multiple residents from a single household from submitting surveys, so a direct percentage of subscribers cannot be calculated from the number of respondents.

Based on street name data provided, it appears that the survey obtained fairly good coverage across the entire geographic region of the Town (51 different streets). More detailed analysis would be required to determine if there is any correlation between location and the service issues encountered. For the purposes of this report, the data was just used to make sure there was broad representation from the different areas of Town.

Summary of Survey Results

Detailed results for the survey are provided in Enclosure 2. The general theme seemed to be that cable television subscribers felt the cost for the service was too high, given the quality and variety of programming received, and that the Town needed more options/competition. The top problems reported were Poor Picture/Reception Quality (21.6%), Difficulty Resolving Problems (12.4%), and Service Interruptions (9.2%). The most important considerations for residents in selecting their primary source for media/entertainment were Reliability (88%), Service Cost (84%), Programming Choices (58%), and Equipment Cost (57%). The data showed that 55% of respondents had cable service, 79% used high-speed Internet service, and 22% had voice service. Responses also indicated that about 69% of respondents rely on either high-speed Internet (34%) or cable television (35%) as their primary method of entertainment and news delivery. Respondents in underserved areas showed a strong likelihood to subscribe to cable TV (60%) and high-speed Internet (90%) if service was extended to their residences. That indicates a strong demand for the kinds of services ABC offers, and is a good predictor of increased subscriptions if their services were extended to the underserved areas in Town.

The second line of activity was to evaluate changes to the Town's population, specifically the addition of any new homes, since the last time the CFA was negotiated. The density formula included in the 2000 version of the CFA is significant when considering the extension of service to underserved areas of the Town. Per the current CFA, the franchisee (now ABC) is obligated to extend cable service (at no cost to the Town or subscribers) when the density in a particular area reaches 10 homes per mile. The distance is measured from the end of the current infrastructure to the properties requiring service. For areas with a lower density, the homeowner is required to pay a portion of the cost to extend the service. The CFA draft amendment in 2000 provided a cost sharing formula based on the measured density. The cost to install new service lines is so high that homeowners rarely - if ever - can afford the portion of the cost they would be required to pay. As a result, underserved areas of Town remain without service until they reach the 10 homes per mile density level -- which leaves some locations (such as Hale Rd and Knox Mountain Rd) with no realistic opportunity to ever receive service.

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¹ MetroCast letter to Sanbornton Town Administrator, dated April 18, 2108 (2017 Annual Report)

A copy of the strand map from MetroCast in 2011 represents the last known data on cable coverage, the underserved areas, and their calculated densities. In order to understand if the density in the underserved areas of Town had changed at all since 2011, an evaluation of those areas was done.

The 2011 strand map identified the following areas in Sanbornton which did not have cable television service (number in parentheses indicates the 2011 area density in homes per mile):

Knox Mountain Rd. (5.30) Mountain Rd. (6.15) Hale/Morrison Rds. (6.59) Tilton Bridge Rd. (3.85) Shute Hill/Rufus Colby Rds. (6.61) Dearborn Rd. (2.56) Oak Hill Rd. (2.5)

In addition, there are several roads with just one or two houses (such as Cram Rd) that have no service but did not have calculated densities on the strand map.

The result of the evaluation showed that there does not appear to have been any significant home construction since the map was made in 2011 that would make any of the underserved areas eligible for extension of the service by the franchisee at no cost to homeowners. The 2017 annual report filed by MetroCast reported that only one request for extension of service was made in 2017 (on Knox Mountain Rd), and that the homeowner declined to pay the fee that was the result of the density formula in the current CFA.² Data from the Town cable TV survey indicated that more residents claimed more requests for extending service were made (20 based on responses) but those may have been made in prior years (the FAAC did not review all annual reports) or there may have been erroneous responses on some of the surveys. The Committee recommends that the Town ask ABC to update the strand map after the franchise is renewed in order to provide a clear picture of the actual status in 2018.

Atlantic Broadband Communications Response to Audit Questions

ABC provided a response to 6 audit questions posed by DTC. As part of their response, they provided the MetroCast annual reports from 2010-2017 (2012 was not in the package). Based on that input, an analysis of the data was performed, as shown in the graphs in Enclosure (3). As seen by the graphs (as reported by MetroCast/ABS), cost for Expanded Basic Cable service has increased 46.8% since 2010. (Note: Since the name and channel lineup of the packages has changed from year-to-year, the comparison was made between equivalent offerings - even if the name didn't match exactly.) In the same period, only 2.39 miles of new cable plant has been added to the Sanbornton infrastructure. Over that time, the total number of cable TV subscribers has remained relatively consistent, following a significant

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² MetroCast letter to Sanbornton Town Administrator, dated April 18, 2108 (2017 Annual Report)

dip in 2014. This is additional information that DTC should be able to use as part of the negotiation process.

Preliminary FAAC Recommendations

The 2014 update to Chapter VIII (Telecommunications and Utilities) of the Town Master Plan³ clearly spells out the priority for the CFA negotiation:

"Utilize the cable franchise agreement negotiation process as an opportunity to leverage expansion of cable infrastructure, which would inherently have a positive impact on reach of improved broadband service with reference to prioritize economic growth segments."

Based on that guidance, together with the results of the survey and the evaluation of the underserved areas of Sanbornton, the FAAC makes the following recommendations to the BoS:

- 1) Direct DTC, as the Town's representative, to use the 2011 draft CFA (which was not accepted by MetroCast) as the starting point for the negotiation. The proposed terms for addressing the extension of service to underserved areas were very favorable to the residents of Town and should be the first offer. The area of Tilton Bridge Rd should be added to the areas that were listed in Exhibit A of the 2011 proposal. ABC should provide an updated strand map within 60 days of the signature of the CFA. The statistics from the survey concerning the rate of usage of ABC services (cable, Internet and voice) in covered areas, as well as the indicated desire for services by respondents in the underserved areas, should be used to show ABC that the business case for accepting the density formula makes sense based on anticipated revenue generation.
- 2) If the 2011 criteria for extension are rejected by ABC, recommend DTC propose the density formula be re-baselined using 5 houses per <u>half</u> mile as the new basis. That would improve the opportunity for some of the underserved areas to qualify for extension at the franchisee's cost. If possible, retain the cost sharing ratios implemented in 2000 for other densities, adjusted for a shorter standard distance (4 homes per half mile, 3 home per half mile, etc.),. Although only 42% of respondents in underserved areas indicated a willingness to consider paying a share of the extension cost, that is sufficient justification to try to include it in the CFA. Again, survey data points to strong consumer interest.
- 3) Include provisions that require ABC to notify neighbors (within ½ mile) when a particular address requests extension of cable TV service. That would promote coordination between households and might create a situation where multiples homes could work together to defray the cost of service extension.
- 4) Request ABC provide an 3-5 year plan identifying planned upgrades and investments to the infrastructure in order to sustain and enhance service in the Town.
- 5) Although the Town cannot negotiate over prices or programming packages, share with ABC residents' concerns over the high prices and price increases they have experienced and the reduced number of channels in the basic cable lineup.

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³ Town of Sanbornton Master Plan 2012, dated Jan 23, 2013 with Chapter VIII approved September 18, 2014.

6) Ask DTC to provide any insights/additional suggestions based on other recent CFA negotiations.

Summary

The survey results show that residents are largely dissatisfied with the price for current services from ABC (including both cable TV and high-speed Internet) and they would like to see efforts undertaken to reduce the cost and improve the service. Unfortunately, the BoS has no jurisdiction over prices. Residents place high importance on the cost and reliability of the services. There is not, however, strong support for the use of a franchise fee to help subsidize the expansion of service to the underserved areas of Town. 69% of respondents who are current cable subscribers said they would not support a franchise fee. The general comment was that the cost of service was already too high, and they felt the franchisee should expand service at their own cost, since they were the ones who would benefit from the increased revenue.

Given the limited options available to the Town under the relevant RSA, it would appear that the best course of action is to use the strong interest in service from the underserved areas to encourage ABC to expand service on their own initiative to capture the additional revenue. Increasing awareness of the governing regulation will be important for the BoS to be able to communicate the results of the negotiation to the residents, who understandably will probably see the renewal of the ABC CFA as frustrating and a loss for the Town.

Enclosures

- 1) Town of Sanbornton Cable Television Survey Questionnaire
- 2) Detailed Results of Cable TV Survey
- 3) Graphs of Data from ABC Responses to DTC Audit Questions
- 4) Addendum to FAAC Final Report

References

- a) http://www.iwantbroadbandnh.org/cable-franchise-agreements
- b) http://www.gencourt.state.nh.us/rsa/html/iii/53-c/53-c-mrg.htm
- c) MetroCast letter to Sanbornton Town Administrator, dated April 18, 2108 (2017 Annual Report)
- d) Cable Franchise Agreement between the Town of Sanbornton and Community TV Corp., dated June 10, 1991.
- e) Amendment to the Cable Franchise Agreement between the Town of Sanbornton and MetroCast Cablevision, dated October 30, 2000.
- f) MetroCast Strand Map, dated August 19, 2011.
- g) Town of Sanbornton Master Plan 2012, dated Jan 23, 2013 with Chapter VIII approved September 18, 2014.

Town of Sanbornton Cable Television Survey Questionnaire

<u>Purpose</u>: In order to help the Town negotiate the renewal of the Cable Franchise Agreement, some information is being requested to understand the issues and priorities of residents. All inputs are anonymous and will only be used by authorized representatives of the Town for official purposes.

1. What street do you live on?
(This question is just to help identify if any areas share common problems or complaints)
2. (If Atlantic Broadband already offers service at your address, please skip to Question #5) If Atlantic Broadband services were brought to your neighborhood, which services would you be likely to subscribe?
Cable TV
High-speed Internet
Voice (telephone)
None
3. If you ever requested Atlantic Broadband (or MetroCast, its predecessor) to extend service to your
address (wasn't previously available), what reason describes why your requested service was not
provided:
(Select all that apply. If never requested, skip to Question #4)
Cable company would not provide - too far from existing cable TV infrastructure
Price to provide service was too high
Packages of programs offered were not appealing
Other reasons:
N/A - the requested service was provided
4. Would you be willing to consider paying a cost share (amount TBD) to extend cable TV service to your address? Yes No
5. Which Atlantic Broadband services do you currently subscribe to:
Cable TV High-speed Internet
Voice/telephone None
N/A - Service is not available at my address
6. Please select the problems you may have encountered with Atlantic Broadband and/or Metrocast
cable TV service: (Select all that apply - leave blank if none apply or you don't have service)
Installation took longer than 15 days
Poor reception or picture quality
Difficulty in getting a problem resolved in a timely manner
Delayed or ineffective in-house service calls
Ability to pay your bill locally
Long service interruptions during prime viewing hours
Equipment difficulties
I don't have cable TV service
Other:

Town of Sanbornton Cable Television Survey Questionnaire

7. Please rank the importance of the following factors in your decision to choose your primary entertainment/news delivery method

	Very Important	Somewhat Important	Not Important
Monthly Service Cost			
Equipment Cost			
Programming Choices			
Reliability			
Lack of an external dish/receiver			
Strength of satellite TV signal at my residence			
Bundling of services (TV/internet/voice) for additional savings			

8. What is your primary method for getting your en	tertainment/video content?
Fixed (wired) high-speed Internet	Satellite TV/satellite Internet
Wireless (mobile devices)	Cable TV
Other:	
9. An option exists for the Town to charge a franch	nise fee (1% - 5%) on the cable TV bill which could
be used to help fund the extension of cable service	e to areas of Town which currently do not have it.
Would you be willing to pay that additional monthly	/ charge to extend cable service to all Town
residents? Yes No N/A - I don't subscribe to	cable TV

10. Please feel free to provide any other comments below:

Results of Town of Sanbornton

Cable Television Survey Questionnaire

<u>Purpose</u>: In order to help the Town negotiate the renewal of the Cable Franchise Agreement, some information is being requested to understand the issues and priorities of residents. All inputs are anonymous and will only be used by authorized representatives of the Town for official purposes.

Total Respondents: 97
1. What street do you live on? (See attached listing) (This question is just to help identify if any areas share common problems or complaints)
2. (If Atlantic Broadband already offers service at your address, please skip to Question #5) If Atlantic Broadband services were brought to your neighborhood, which services would you be likely to subscribe? (20 respondents) Cable TV 12 High-speed Internet 18 Voice (telephone) 2 None 2
3. If you ever requested Atlantic Broadband (or MetroCast, its predecessor) to extend service to your address (wasn't previously available), what reason describes why your requested service was not provided:
(Select all that apply. If never requested, skip to Question #4) Cable company would not provide - too far from existing cable TV infrastructure 10 Price to provide service was too high 4 Packages of programs offered were not appealing 3 Other reasons: N/A - the requested service was provided
4. Would you be willing to consider paying a cost share (amount TBD) to extend cable TV service to your address? Yes 8 (42%) No - 11 (58%)
5. Which Atlantic Broadband services do you currently subscribe to: Cable TV - 53 (55%) High-speed Internet – 77 (79%) Voice/telephone – 21 (12%) None – 4 (4%) N/A - Service is not available at my address - 7
6. Please select the problems you may have encountered with Atlantic Broadband and/or Metrocast cable TV service: (Select all that apply - leave blank if none apply or you don't have service) Installation took longer than 15 days – 1 (1%) Poor reception or picture quality – 21 (22%) Difficulty in getting a problem resolved in a timely manner – 12 (12%) Delayed or ineffective in-house service calls – 9 (9%) Ability to pay your bill locally – 2 (2%) Long service interruptions during prime viewing hours – 9 (9%) Equipment difficulties – 13 (13%) I don't have cable TV service – 19 (20%)

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Results of Town of Sanbornton Cable Television Survey Questionnaire

 Other: -	25 (26%)	(See attached sheets))

7. Please rank the importance of the following factors in your decision to choose your primary entertainment/news delivery method

	Very	Somewhat	Not
	Important	Important	Important
Monthly Service Cost	78 (84%)	15 (16%)	0
Equipment Cost	50	33	4
	(57%)	(38%)	(5%)
Programming Choices	49	30	6
	(58%)	(35%)	(7%)
Reliability	80 (88%)	11 (12%)	0
Lack of an external dish/receiver	15	18	45
	(19%)	(23%)	(58%)
Strength of satellite TV signal at my residence	43	9	25
	(56%)	(12%)	(30%)
Bundling of services (TV/internet/voice) for additional savings	24	30	23
	(31%)	(39%)	(30%)

8. Wr	at is your <u>primary</u> method for getting your entertain	ment/video content?
	Fixed (wired) high-speed Internet – 31 (34%)	_ Satellite TV/satellite Internet – 16 (17%)
	Wireless (mobile devices) – 10 (11%)	_ Cable TV – 32 (35%)
	Other: - 3 (3%) (Library movies, antenna x 2)	

- 9. An option exists for the Town to charge a franchise fee (1% 5%) on the cable TV bill which could be used to help fund the extension of cable service to areas of Town which currently do not have it. Would you be willing to pay that additional monthly charge to extend cable service to all Town residents? Yes -22 (31%) No -49 (69%) N/A -1 don't subscribe to cable TV -14
- 10. Please feel free to provide any other comments below: (See attached sheets)

Sanbornton Cable TV Survey Answers to Question #1 – Street Name

Street Name	# Responses
Bay Rd	4
Bennet's Ferry Rd	2
Bay Shore Rd	1
Black Brook Rd	5
Broadview Dr	2
Brook Rd	1
Burleigh Hill Rd	3
Calef Hill Rd	7
Circle Point Rd	5
Cram Rd	2
Currier Rd	1
Dr True Rd	1
Eastman Hill Rd	2
Gulf Rd	2
Hale Rd	2
Hermit Lake Rd	4
Hueber Dr	2
Hunkins Pond Rd	4
Johnson Rd	1
Kennedy Rd	1
Know Mountain Rd	3
Lakeside Dr	1
Leavitt Rd	1
Leightpn Estates Rd	2
Lower Bay Rd	3
March Rd	1
Meetinghouse Hill Rd	1
Moose Run Dr	1
Mountain Rd	1
New Hampton Rd	2
Old Brown Rd	1
Osgood Rd	3
Patriot Ln	2
Philbrook Rd	2
Pine Stump Rd	2
Plummer Rd	1
Quimby Rd	2
Rosewood Ave Roxbury Rd	3
Rufus Rd	1
Sanborn Rd	8
Skyline Dr	2
Spring Rd	2

Sanbornton Cable TV Survey Answers to Question #1 – Street Name

Street Name	# Responses
Stage Rd	5
Steele Hill Rd	2
Threshing Mill Rd	3
Tower Hill Rd	3
Upper Bay Rd	2
Weeks Rd	2
Willow Dr	1
Woodman Rd	4

Answers to Question #6 - Other:

Cost. Very expensive Have had problems since day one 2017 frequent issues with cable tv wire and service Service has been better lately, but we do encounter occasional slowdowns and temporary loss of service. Internet keeps switching between 5g and 2g expensive No problems Slow broadband Cost is too high! Very very expensive Issues with customer service assistance slow speeds many times during the day Old cable boxes different in each room Way too much \$ and not willing to work with customers Very costly High bill Internet not reliable. High, and escalating, prices; occasional pixelated/frozen picture Expensive for product Occasional slow down or stoppage Very difficult to contact customer service to change service. Phone are not answered and must leave a message so a call back usually occurs at a time when not home. Internet slows + fails often – they came out and said they couldn't find a problem. Very slow often. The HD requirement (small box change) What is basi now, what is actually available and the cost difference.

Pricing – expensive. Would like to have options.

Slow WiFi

Answers to Question #6 - Other:

Mostly service interruptions with internet

Constant elimination of channels from basic cable

Expense

No problems with MetroCast. Too soon to tell with A.B.

No service offer after request.

Very expensive!!

Slow speeds on internet even though I pay for the most.

Less service + higher bills

None of the above. The problem is no competition and unreasonable charge for basic service.

Cable is too expensive.

Weather alert interruptions – required but could be less intrusive. (Banner at bottom of screen)

MetroCast insisted we pay to install from main road (Calef Hill Rd) down our extra long road (private).

Service technicians causing damage while performing repairs. Price hikes. No telephone service during power outage; required by law and I pay a monthly fee for this.

Home page sometimes very slow to load. Some channels "freeze" for long periods on many days.

DVR breakup, stopping, etc. Sound interruptions.

Negotiate lower costs

Phone stopped working – no longer have a landline

No problems w/Metrocast

Services during power outages

Pricing – too high!

Answers to Question #10 – Comments:

Atlantic needs to lower the prices to be competitive with the satellite companies then I'd think about changing back to cable.

High speed internet is extremely important as cable to is a declining service. Many of us have switched to streaming for all entertainment access. Atlantic Broadband has declined since taking over for Metrocast. If they are to continue as our provider, some assurances/boosting of internet should be negotiated. Verizon FIOS would be even better;) Thanks for asking.

Higher speed internet service is a must! The speeds we're currently offered are subpar.

Always something wrong with reception. Glitches always showing up on ABC programming. Tevo failure for no reason etc

Please find an alternative to this company! It is the worst!

Too pricey, no discount for elderly

Broadband is important for ALL residents. Fast inexpensive access to the internet is a necessity these days. Cable TV, not so much.

We've found dish systems unreliable and the dish internet horribly slow and will never use it again. Have internet only due to the ridiculous prices and unreasonable channel selections.

No cable tv in our house because of the lack of capable service providers too many problems with my one and only choice. 1-5% of what cost - that would be helpful in answering the question. So I picked n/a. 1-5% of \$850,000,000? 1-5% of \$8.50? Not a great survey question for data collection.

Cable TV in our area is crazy expensive which is why we don't have it. If they want subscribers than they need to reduce costs and improve content.

I would appreciate a lower cost.

They need to work on the broadband speeds during peak hours

Outrageous costs which are \$200 plus

I don't have access to cable but if I did I would support a franchise fee if it helped provide cable to parts of town that do not have that option. If franchise fees are added I would like to see the money ear marked for the purpose of providing cable to under served areas and not be used for any other purposes.

Looking for faster internet speeds without a jump in price

1. Internet and cable TV service is extremely expensive 2. I use only 30% of the channels I am required to buy in order to get what I do want.

Cable is antiquated, expensive, slow and now unreliable. Recommend a County wide Fiber installation to II homes and businesses paralleling that done by TDS Telecom in New London, NH where 50mbs/50mbs

Answers to Question #10 – Comments:

fiber service, no restrictions, cost \$45/mn. See URL https://tdstelecom.com/about/news/categories/tds/1gig-launch-in-new-london-nh.html

I would like to see other options for service providers provided. It seems like an almost monopoly. I have had Metrocast/Atlantic Broadband as my internet provider for many years. I would like to see a provider who provides fiber optic service. I have friends who live in other NH towns in rural areas such as ours, who are able to connect to Comcast and others providers. I feel people in this town deserve the same, when these services are available in Laconia and Franklin.

Just switched to Consolidated Communications because my pricing with ABB had increased and was having issues with payments taking a long time to post to account. Services itself was always spotty... dropped often during the day. Left Metrocast a year ago with the tv service...yet again just had too many reception issues. With satellite tv I've very little down time for service.

cable tv became too expensive-constantly raising prices as well as internet costs

Even though they have just been purchased by Atlantic Broadband, their services/equipment are behind what other services are offering.

I would love to have cable instead of direct tv. direct tv does not offer internet. I use Verizon 4g which is very expensive and I always run out of gigabytes

Better channels lower costs and get rid of all the extra boxes added to all 'tv's in the house and the additional costs involved

We need another provider in town so with competition maybe lower rates

I pay more for cable/Internet with less programming and services than I do in my winter home. Atlantic cable raised the rates on top of an already exorbitant cost when they took over. We need more choices. Put them in competition with another company.

Service is too expensive. Might have to cancel at some future date

The piecemeal one-at-a-time negotiations the towns in the area currently do is a formula for the cable co. to keep successfully escalating their monopoly bids by reference to what other towns are already paying. The ads we see on TV for Cable in Mass. for prices & features betray that the true costs of cable allow a fair margin on much lower prices than we're paying, even allowing for our somewhat lower density. On the model of what's happening to landline telephones -- whopping fixed costs, with necessary on-going maintenance and even expansion costs guaranteed an ROI for whatever they spend, all for a dying technology -- and what has already happened to the electricity market, part of a response might be to separate out the cable infrastructure business with all of us paying a fair-return price for their current installed base and then allow full (non-monopoly) competition among both all the SERVICES -- tv content, internet access, phone service, ? future innovations? -- and all the distribution TECHNOLOGIES -- cable expansion, satellite, wireless, next's years new tech, etc.. Let's face up now to what we fairly owe the old tech cable investors and work towards the inevitable extinction of its value while we focus our attention and \$\$\$ on the future.

Answers to Question #10 - Comments:

Cable providers should be paying the Town to expand, not charging old customers. Rates and bundles should be more selective and cheaper as more + more cable shows are easily accessible on the internat for less money.

Atlantic Broadband should voer any costs.

I went to Dish because MetroCast was too expensive

People are "cord cutting" due to coast + lack of content at the basic level. Could use a few selections: TBN, Daystar. Something of interest other than reruns of old shows.

Happy with service

Would like Town meetings televised on cable.

We need better service, more channels, and lower costs!!

I think the charge is already outrageous. I certainly don't want an increase in the month charges!

We would like better/faster internet connection. We don't care about cable.

Have had some issues with internet reliability. Seems resolved.

Re: question #9, this would represent a subsidy to the cable company and would be inappropriate. The cable company should handle and pay for any service expansion.

When service was MetroCast I could not afford services. One Atlantic Broadband too voer servies, their prices came down significantly and I was able to buy internet. My biggest concern is that people just assume everyone has internet as a necessity. A prince increase from a new provider/contract is a huge worry for me.

The day Atlantic took over Metrocast, I received a \$15 a month service increase. If there is another increase, I will be forced to cancel the service. I have been using this cable service for 5 years and watched the monthly cost go from \$160 to \$215 with no improvements or service additions. This is outrageous and will price themselves right out of the market.

We already pay over \$200/mo for phone, internet and basic TV (no pay channels) and rates go up every year. If there are areas in Town with no cable, the cable co should pay to run wires to those locations. Or those areas can get satellite. Why should we pay to help one company (cable) external service compete with another company?

Expand service. Franchise fee. Town meeting should discuss.

We spent winter months in Merrimack NH + enjoyed great cable TV with Comcast which we had X-1, was terrific + cheaper. While moving here year round we experience worse and higher costs with Metrocast/Atlantic Broadband company.

Thank you for doing this survey.

Answers to Question #10 – Comments:

Negotiate lower costs. In NC our cable/internet is \$68. Why so much here?

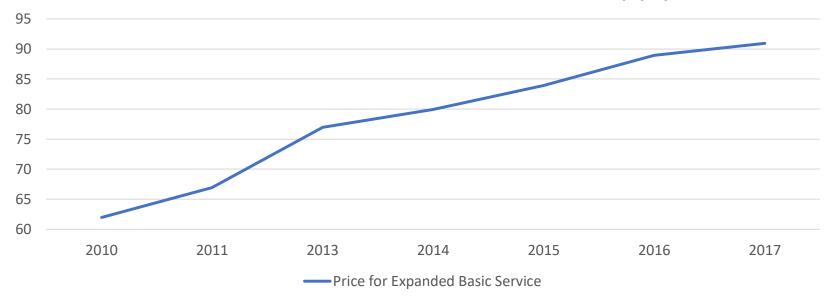
Feel bad for neighbor complaining about MetroCast cost, equipment failure, reliability, etc.

Would like the cost to me much less!!

Price Increase – Expanded Basic Cable Service

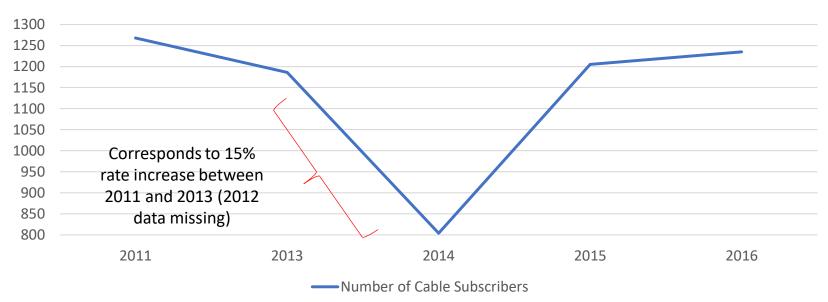


46.8% increase in the price of Expanded Basic Cable Service, 2010-2017



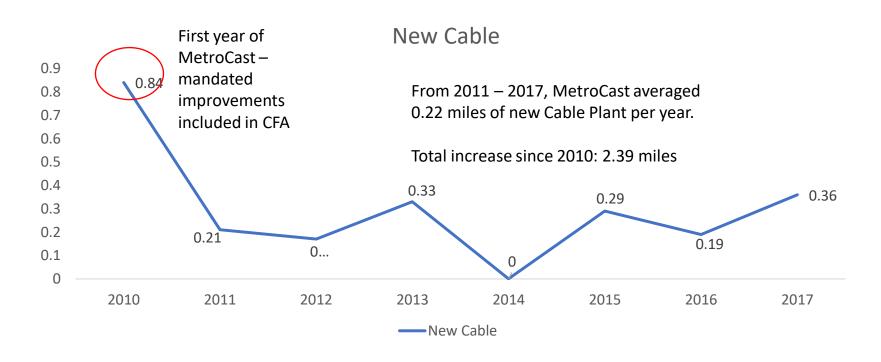
Number of Cable TV Subscribers (by year)

Number of Cable Subscribers



Town of Sanbornton – Franchise Agreement Advisory Committee

New Cable Plant Construction (Miles by year)



Addendum to Franchise Agreement Advisory Committee Report to the Board of Selectmen

The following three statements were submitted by a Resident after the Cable Franchise Survey process was completed. Because of their potential implications, they were referred to the DTC lawyer for review. Her comments on the statements are provided, in the event that the Board of Selectmen has to address these questions during a public session without DTC counsel present.

- The Atlantic Broadband infrastructure is in the public right of way, therefore the Town can assert ownership and make it available to competitors to Atlantic Broadband.
 - <u>Response</u>: Incorrect. The infrastructure is privately owned by a corporation. The CFA gives them permission to place their infrastructure in the public right of way. Additional private agreements are in place with the owners of the utility poles that are used, but the infrastructure itself remains private property.
- 2. Density formulas, like the one in the current Sanbornton/ABC franchise agreement, were ruled unconstitutional sometime around the 2011 time frame. Response: DTC is unaware of any case law that changed the validity of density formulas. They are a common feature of most CFA's. The terms with MetroCast tend to be more favorable to towns than some of their competitors, but they are included in almost all current CFA's.
- **3.** There was language limiting rate hikes for cable service that were part of the original franchise agreement, and the Town has the authority to prevent further rate increases.
 - Response: There is very limited rate protection (basic tier service, some service equipment) provided under federal law by the FCC. In order to establish a rate limitation, a municipality must provide detailed, documented evidence of actual costs to the service provider in order to establish the validity of any rate caps for anything not covered by FCC regulation. Even if there were provisions in the original (1991) agreement (which there does not appear to be), the current agreement would have to conform to the current law and the burden of proof for rate caps would be on the Town.

Please note that this is paraphrasing the conversation and should not be considered legal advice. The FAAC would recommend that any detailed discussion of these issues be referred to the future public hearing when legal counsel will be present.