



Communications & Public Involvement
215 N. Mason St.
PO Box 580
Fort Collins, CO 80522
970.416.2209
fcgov.com

MEMORANDUM

DATE: December 11, 2019

TO: Mayor and City Councilmembers

THROUGH: Darin Atteberry, City Manager *DA*
Kelly DiMartino, Deputy City Manager *sen KD*

FROM: Amanda King, Communications Director
Carson Hamlin, Video Production Manager

RE: Quarterly Cable Franchise and PEG Funding Update – Q3 2019

Background: The City has a non-exclusive franchise agreement with the local subsidiary of Comcast Corporation. During the franchise renewal process, Council made a request for increased tracking and reporting on compliance. Based on this request, quarterly reports will be shared and posted on the City's franchise webpage: <http://www.fcgov.com/fctv/franchise.php>.

	Quarter 3			2019 Budget and Actuals			
2019	Q3 2019 Budgeted	Q3 2019 Actual	Difference Over/(Under)	2019 Budgeted	2019 Projected	Proj Difference Over/(Under)	Variance Over/(Under)
Franchise Fee - 413010	\$ 422,280	\$ 375,842	\$ (46,438)	\$ 1,700,000	\$ 1,534,865	\$ (165,135)	-9.7%
PEG - 441070	\$ 56,250	\$ 57,160	\$ 910	\$ 225,000	\$ 230,992	\$ 5,992	2.7%

Below is a summary of quarterly franchise and PEG fees, reported customer complaints and current service pricing:

Revenue received –

- Franchise fees have come in under budget each quarter.
- PEG fees have been slightly over budget each quarter.
 - Franchise fees are based off 5% of gross revenue.
 - PEG fees are \$0.75/cable subscriber.
 - A financial audit is underway (see details below).

Complaints-

- Comcast reported zero complaints in Q3 2019.
- The City received two complaints regarding pricing and billing.

Comcast website check-

- Limited Basic could not be found on the Xfinity website. The Digital Economy package, though also difficult to find and requiring a residential address, is listed at \$39.95 per month.

Comcast Customer Service Center check -

- Limited basic package signage was posted at \$29.95.

Other Franchise Updates –

- Financial audit of Comcast:
 - Per the current cable franchise, the City is authorized to conduct a mid-franchise financial audit of Comcast which is in progress.
 - Comcast has required that any financial records must be viewed physically from their corporate office in Philadelphia and from their marketing division in Englewood, CO. Comcast informed the audit team they would not be able to accommodate an on-site audit at the Englewood office until August delaying the audit.
 - A follow-up email was sent to Comcast/Philadelphia in October requesting information pertaining to the reporting of agency commissions, PEG fees, and access to the company's general ledger. There has been no response to date.
 - If a response is not provided by December 16, the City will consult with the auditor and City Attorney's Office regarding next steps and/or may review the audit report "as is" with whatever findings the auditor is able to provide.
- Comcast price changes:
 - The City's Franchise Administrator was notified via email of the attached price changes.
- Channel lineup changes:
 - The City's Franchise Administrator was also notified via email of the attached channel lineup changes.

Amanda King

Subject: FW: Comcast Important Information—Price Changes

From: Walker, Glenn <Glenn.Walker@comcast.com>

Sent: Monday, November 25, 2019 7:57 AM

To: Carson Hamlin <CHAMLIN@fcgov.com>; myersag@co.larimer.co.us; agetchius@timnathgov.com

Subject: Comcast Important Information—Price Changes

At Comcast, we're committed to delivering the entertainment and services that matter most to our customers in in your community, as well as exciting experiences they won't find anywhere else. As we continue to invest in our network, products, and services, the cost of doing business rises. Programming fees – the cost associated with carrying the programming our customers demand, especially broadcast television and sports programming – continue to rise each year and are one of our biggest expenses. While we absorb some of these costs, these fee increases affect service pricing. As a result, starting January 1, 2020, prices for certain services and fees will be increasing, including the Broadcast TV Fee amongst others.

Please see the details of these change below.

BASIC SERVICES	Current	New
Broadcast TV Fee	\$8.70	\$13.65

PAY-PER-VIEW AND ON DEMAND SUBSCRIPTION	Current	New
CuriosityStream On Demand	\$5.99	\$2.99

XFINITY TV EQUIPMENT	Current	New
TV Box Limited Basic	\$2.50	\$4.85
TV Box	\$2.50	\$4.85
HD TV Box Limited Basic	\$2.50	\$4.85
CableCARD	\$1.50	\$0.00

MISCELLANEOUS	Current	New
Regional Sports Fee	\$8.00	\$6.75

XFINITY Internet	Current	New
Performance Select	\$71.95	\$55.00
Gigabit	\$126.95	\$100.00
Internet/Voice Equipment Rental	\$13.00	\$14.00

While some prices may increase, we continue to invest in technology to drive innovation. We work hard to bring our customers great value every day and exciting new developments, including:

- Xfinity Stream app included with Xfinity TV has the most free shows and movies
- Apps like Netflix, Pandora, Amazon, and YouTube integrated on our X1 platform and easily accessed using our Voice Remote
- 163,000+ shows and movies on Xfinity On Demand
- Enhanced control of in-home Wi-Fi with Xfinity xFi
- Advanced security with the Xfinity Wireless Gateway
- The fastest Internet speeds in the country

- 19 million Xfinity WiFi hotspots nationwide

We know you may have questions about these changes. If I can be of any further assistance, please contact me.
Sincerely,

Glenn Walker
Comcast Government Affairs Dept.
1899 Wynkoop St. Suite 550
Denver, CO 80202
303-603-2012

From: [Carson Hamlin](#)
To: [Amanda King](#)
Subject: FW: Comcast Notice - Channel Lineup Change
Date: Wednesday, October 30, 2019 10:33:25 AM

FYI...

Thanks,

Carson

From: Walker, Glenn <Glenn_Walker@comcast.com>
Sent: Wednesday, October 30, 2019 8:22 AM
To: Carson Hamlin <CHAMLIN@fcgov.com>; myersag@co.larimer.co.us;
agetchiu@timnathgov.com; jdurbin@town.fraser.co.us; ablair@townofgranby.com;
glmanager@townofgrandlake.com; townofhss@comcast.net; dnelson@wpgov.com;
jbecklenberg@evanscolorado.gov; info@townofgardencity.com; roy.otto@greeleygov.com;
amartinez@lasalletown.com; ckoppes@weldgov.com; dmoyer@windsorgov.com
Subject: Comcast Notice - Channel Lineup Change

We are committed to keeping you and our customers informed about changes to Xfinity TV services.

Effective December 31, 2019 Comcast will no longer carry the FM (Fuse Music) Channel (Ch. 335).
FM is an American music-oriented channel.

Please feel free to contact me if you have any questions.

Thanks
Glenn Walker
Comcast Government Affairs Dept.
1899 Wynkoop St. Suite 550
Denver, CO 80202
303-603-2012

From: [Carson Hamlin](#)
To: [Amanda King](#)
Subject: FW: Comcast Channel Lineup Change Notice
Date: Tuesday, October 15, 2019 11:54:32 AM

FYI... More Comcast lineup changes.

Thanks,

Carson

From: Walker, Glenn <Glenn_Walker@comcast.com>
Sent: Tuesday, October 15, 2019 8:11 AM
To: Carson Hamlin <CHAMLIN@fcgov.com>; myersag@co.larimer.co.us; agetchius@timnathgov.com
Subject: Comcast Channel Lineup Change Notice

We are committed to keeping you and our customers informed about changes to Xfinity TV services.

Effective December 10, 2019, Comcast will no longer carry Starz Edge, Starz in Black, Starz Comedy, Starz Cinema and Starz Kids & Family. For more information about this change, visit xfinity.com/StarzChanges.

Effective December 10, 2019, we're adding Epix to certain packages. Starz will no longer be available with those packages. With Epix and its associated content our customers get unlimited access to hit films, critically acclaimed original series, documentaries and more, uncut and commercial-free. For more information about this change, visit xfinity.com/EpixChanges.

Effective December 10, 2019, Comcast will no longer carry RetroPlex, IndiePlex, Encore Classic, Encore Suspense, Encore Family and Encore Español. For more information about this change, visit xfinity.com/EncoreChanges.

Please feel free to contact me if you have any questions.

Thanks
Glenn Walker
Comcast Government Affairs Dept.
1899 Wynkoop St. Suite 550
Denver, CO 80202
303-603-2012

From: [Carson Hamlin](#)
To: [Amanda King](#)
Subject: Fwd: Comcast Channel Lineup Changes
Date: Thursday, October 3, 2019 10:30:55 AM

FYI...
Carson

Begin forwarded message:

From: "Walker, Glenn" <Glenn.Walker@comcast.com>
Subject: **Comcast Channel Lineup Changes**
Date: October 3, 2019 at 7:40:09 AM MDT
To: "CHAMLIN@fcgov.com" <CHAMLIN@fcgov.com>, "myersag@co.larimer.co.us" <myersag@co.larimer.co.us>, "agetchius@timnathgov.com" <agetchius@timnathgov.com>

New Channel Effective October 29, 2019

For our customers who subscribe to the Xfinity Latino package, on October 29 we will begin offering a new Spanish-language channel, Kanal D Drama. Kanal D Drama is a Spanish-language network featuring telenovelas and series.

Loss of Channel Effective December 5, 2019

We also wanted to inform you that Canal 52MX (Ch. 320) will be dropped from Xfinity Latino on December 5, 2019. We are communicating this change to our affected customers through a bill message.

Should you have any questions regarding this information, please feel free to reach out to me.

Thanks
Glenn Walker
Comcast Government Affairs Dept.
1899 Wynkoop St. Suite 550
Denver, CO 80202
303-603-2012