

Quad Cities Cable Communications Commission
Anoka City Hall – Council Chambers

November 21, 2013, 10:00 AM

Agenda

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Administrative Reports**
 - 4.1. Secretary
 - 4.1.1. Approval of meeting minutes from October 17 commission meeting.
 - 4.2. Treasurer
 - 4.2.1. September Financial Report
 - 4.3. Executive Director
- 5. General Business**
 - 5.1. Award Presentations
 - 5.1.1. NATAO - Presentation to local Fire Departments
 - 5.1.2. NATOA – Honorable Mention – Sports and Technology
 - 5.2. PSA Day
 - 5.2.1. Presentation of local PSA
 - 5.3. Operating Budget and DRAFT Five Year Capital Budget Adoption
 - 5.4. Comcast Encryption
 - 5.5. Monthly Statistical Report
 - 5.6. Programming Reports
- 6. Adjourn**

MINUTES OF THE REGULAR MEETING OF OCTOBER 17, 2013

CALL TO ORDER – 1

Chair Heitkamp called the meeting to order at 10:12 a.m. at the Anoka City Hall.

ROLL CALL– 2

Commissioners present were: Tim Cruikshank, Anoka; John LeTourneau, Ramsey; Kurt Ulrich, Ramsey; Jim Dickinson, Andover; and Bret Heitkamp, Champlin.

Commissioners absent and excused: Carl Anderson, Anoka; Eric Johnson, Champlin; and Julie Trude, Andover

Others present included Karen George, Executive Director and Scott Flynn Technical Director.

APPROVAL OF AGENDA – 3

Motion was made by LeTourneau and seconded by Dickinson to approve the agenda as presented.

5 ayes – 0 nays. Motion carried.

ADMINISTRATIVE REPORTS – 4

4.1 Secretary

4.1.1. Approval of meeting minutes from August 15, 2013 and June 20, 2013

Ms. George advised that the August 15, 2013 minutes and the corrected June 15, 2013 meeting minutes were included in the packet for review.

Motion was made by Dickinson and seconded by LeTourneau to approve the August 15, 2013 and June 20, 2013 minutes as presented.

4 ayes – 0 nays – 1 abstain (Ulrich) Motion carried.

4.2 Treasurer

4.2.1. July/August Financial Report

Commissioner Dickinson provided further explanation regarding the Financial Report for July and August.

Motion was made by Ulrich and seconded by Cruikshank to approve the July/August Financial Report.

5 ayes – 0 nays. Motion carried

4.3 Executive Director

Ms. George briefly reviewed her report noting that another item came forward after her report was drafted. She advised that NATOA has released the names for their awards and advised that QCTV received three awards, also winning a third place for fire safety talk.

GENERAL BUSINESS – 5

5.1 Organizational Assessment Phase 2

Chair Heitkamp advised that the Commission met in Worksession on October 4th to discuss the Organizational Assessment Phase 2.

Ms. George noted that the Report builds on the work previously completed by the Commission that had been put on hold during the leadership transition. She advised that the consultant used in this process has expertise in this area and involved the employees throughout the process. She explained that the consultant took a holistic view of the organization to determine the path that may be needed in order to move forward.

Commissioner Dickinson stated that the Commission is being very methodical in this process and is not completing any quick knee jerk reactions. He complimented the staff for being open and participating in this process. He looked forward in moving forward in some of the next steps identified in the report.

Ms. George noted that if the Commission agrees with the basic intent of the Report to transition the organization to a majority full-time employment rather

than a majority of part-time employment further research would be needed to determine the FTE count and to develop and post job descriptions according to the Strategic Plan in order to get the right people into the right jobs.

Chair Heitkamp confirmed that the next step would be to receive the Report rather than approve the Report.

Ms. George believed the Commission could accept the Report generally and noted that the Commission had asked that the Personnel Committee step in now to conduct and assist in some additional work that is needed.

Chair Heitkamp stated that later today he and Ms. George will meet with staff in order to provide transparency and answer questions. He was excited to hear the input of staff.

Commissioner Ulrich stated that he liked the idea of receiving the report rather than approving the report and also liked that the Report works in conjunction with the Strategic Plan. He advised that he agrees with the next steps which will involve the Personnel Committee.

Motion was made by LeTourneau and seconded by Dickinson to receive the Organizational Assessment Phase 2 Report as presented.

5 ayes – 0 nays. Motion carried.

Ms. George noted that she did receive a proposal from the consultant which takes into account the discussion which occurred at the October 4, 2013 worksession. She reviewed the scope of services which would be provided by Holly Hansen Consulting including finalization of the organizational chart and job titles presented in the August 26, 2013 report; to develop job descriptions for each type of position based on the finalized organizational chart; to determine pay ranges for each type of position; to determine the number of FTEs needed in each type of position to maintain current levels of programming; to develop job postings for each job title; and to develop recommendations for implementation of the hiring process. She noted that the Personnel Committee would be highly involved.

Commissioner Cruikshank stated that he agrees with the direction wholeheartedly and the fact that the Personnel Committee will be heavily involved.

Chair Heitkamp asked if Ms. George has a recommendation.

Ms. George stated that the proposal has a cost not to exceed \$5,000, which she felt was adequate but noted that she is going to follow up the following day with Ms. Hansen to determine the timeline.

Motion was made by Dickinson and seconded by Cruikshank to approve Phase 3 with Holly Hansen Consulting based on the scope of services received at a cost not to exceed \$5,000.

Further discussion: Chair Heitkamp asked if the not to exceed amount would be based on an hourly rate.

Ms. George noted that she did have an approximate hourly rate for Ms. Hansen but was not certain on the figure.

Commissioner LeTourneau stated that while the timeline goal would be to complete by the end of 2013, the quality of work is the focus and Ms. Hansen should not feel as if she needs to meet a 2013 deadline additional work is needed.

5 ayes – 0 nays. Motion carried.

5.2 Comcast Encryption Notice

Ms. George stated that one year ago the cable industry went to the FCC in regard to encryption. She advised that the new regulations and encryption would affect about 17,000 viewers, many viewers had already updated to the DTA box. She explained that those with newer televisions would need to obtain a DTA box in order to receive the signal. She advised of the notifications that are being sent to the customers and noted that a public service announcement (PSA) is also being broadcast on QCTV between now and November 19th.

Commissioner Cruikshank stated that he believed the DTA boxes are ridiculous and the cost to obtain those could be discussed during negotiations.

Ms. George stated that this is a difference between local and federal control. She explained that the local control that QCTV has would not supersede the federal permission given. She advised that if Comcast has not heard from the customer by November 6th they will drop ship the equipment needed at the cost of the customer. She provided the example of a customer who pays for cable and has a DTA box on their main television but another television that is simply plugged into the outlet and receives service. She explained that after November 19th the television without the DTA box will not receive that service. She advised that three DTA boxes are currently being offered free of charge but was unsure when the monthly charge for the DTA would begin.

Scott Flynn played the PSA that was composed by QCTV and is being played on the channels.

Ms. George noted that there is a special number to call for those with universal service, as that service is unique to Minnesota. She confirmed that universal service will still be offered with the DTA box.

5.3 North Metro Mayors Association

Ms. George advised that this item had been brought forward to the Board the previous year and the decision was made to step down from the membership level. She explained that this decision was made on a phased process.

Commissioner Dickinson stated that during the budget Worksession the group made the decision to step down to the lowest level of membership.

Chair Heitkamp questioned if the organization utilizes the purchasing efforts of the North Metro Mayors Association.

Ms. George explained that QCTV shares the office purchasing with the City of Andover and advised that the cost savings were used to renew the partnership with QCTV and another organization.

Motion was made by Ulrich and seconded by LeTourneau to select the North Metro Mayors Association Community Partnership membership level and direct staff to complete registration.

5 ayes – 0 nays. Motion carried.

5.4 Monthly Statistical Report

Ms. George stated that she has been working with the School District for some time and reported that QCTV will be meeting with the School District in attempt to work out some of the details with their meeting coverage and playback.

5.5 Programming Reports

Ms. George stated that many quality programs are being produced. She addressed community programming and noted that recently QCTV allowed individuals to come in and create their own PSA which can be aired on the local channels. She believed this event was a great success and noted that perhaps the cities could have a PSA day where different PSAs could be recorded for playback.

Scott Flynn played a few of the PSAs which were created.

Ms. George also noted the collaboration between the community and government programs in regard to the Halloween festivities. She referenced the fall sports season, noting that the van is going out to provide coverage four days per week. She advised that the contract that QCTV has with GrandStadium will soon expire and the Commission will soon get a look at what the new fall contract could look like. She advised that the Quad Cities Municipal Report (QCMR) program has been revamped at the direction of the Commission.

Scott Flynn played a short clip of the new program.

Ms. George highlighted some of the improvements and changes that were made to the program.

ADJOURN – 6

Time of adjournment 10:56 a.m.

Respectfully submitted,

Reviewed for approval,

Amanda Staple
Recording Secretary
TimeSaver Off Site Secretarial, Inc.

Karen George
Executive Director

Quad Cities Communications Commission
Budget vs. Actuals: Budget 2013 - FY13 P&L
 January - September, 2013

	Sep 2013				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Income								
Duplication Revenue	292.41	208.00	84.41	140.58%	6,362.92	1,872.00	4,490.92	339.90%
Equipment Grant		4,218.00	(4,218.00)	0.00%	0.00	37,962.00	(37,962.00)	0.00%
Franchise Fees		74,340.00	(74,340.00)	0.00%	477,431.88	669,060.00	(191,628.12)	71.36%
Interest Income	10.47	8.00	2.47	130.88%	89.81	72.00	17.81	124.74%
Miscellaneous Income		2,500.00	(2,500.00)	0.00%	3,450.09	22,500.00	(19,049.91)	15.33%
PEG Fee		37,170.00	(37,170.00)	0.00%	238,715.66	334,530.00	(95,814.34)	71.36%
Total Income	302.88	118,444.00	(118,141.12)	0.26%	726,050.36	1,065,996.00	(339,945.64)	68.11%
Expenses								
Accounting / HR Services	39.95	1,500.00	(1,460.05)	2.66%	9,535.83	13,500.00	(3,964.17)	70.64%
Ads/Promos/Sponsorships	400.00	737.00	(337.00)	54.27%	2,649.00	6,633.00	(3,984.00)	39.94%
Advertising			0.00		39.81	0.00	39.81	
Andover Capital Equipment	195.44		195.44		49,186.00	0.00	49,186.00	
Announcers Fees	455.00	1,371.00	(916.00)	33.19%	9,975.00	12,339.00	(2,364.00)	80.84%
Anoka Capital Equipment	25,959.44		25,959.44		26,743.58	0.00	26,743.58	
Audit		1,308.00	(1,308.00)	0.00%	15,740.00	11,772.00	3,968.00	133.71%
AV Equip / Repair / Supply / Software	672.46	8,623.00	(7,950.54)	7.80%	4,131.82	77,607.00	(73,475.18)	5.32%
Bank Fees / CC Fees		41.00	(41.00)	0.00%	236.48	369.00	(132.52)	64.09%
Brand Apparel		208.00	(208.00)	0.00%	182.20	1,872.00	(1,689.80)	9.73%
Building - Cleaning	407.65	526.00	(118.35)	77.50%	3,299.56	4,734.00	(1,434.44)	69.70%
Building - Insurance		241.00	(241.00)	0.00%	1,929.00	2,169.00	(240.00)	88.93%
Building - Maintenance	210.92	583.00	(372.08)	36.18%	3,148.88	5,247.00	(2,098.12)	60.01%
Building - Supplies	195.25	250.00	(54.75)	78.10%	1,215.11	2,250.00	(1,034.89)	54.00%
Car Allowance	250.00	250.00	0.00	100.00%	2,250.00	2,250.00	0.00	100.00%
Cell Phone - Allowance	210.00	75.00	135.00	280.00%	1,900.00	675.00	1,225.00	281.48%
Cell Phone - Reimbursement		166.00	(166.00)	0.00%	0.00	1,494.00	(1,494.00)	0.00%
Champlin Capital Equipment	185.45		185.45		32,753.73	0.00	32,753.73	
City Sewer & Water		375.00	(375.00)	0.00%	1,105.01	3,375.00	(2,269.99)	32.74%
Commission Expense	240.00	291.00	(51.00)	82.47%	2,341.98	2,619.00	(277.02)	89.42%
Computer Equip / Repair / Supply / Software	147.79	3,125.00	(2,977.21)	4.73%	3,994.83	28,125.00	(24,130.17)	14.20%
Conference Participation	400.00		400.00		400.00	0.00	400.00	
Consulting Services	1,200.00	2,708.00	(1,508.00)	44.31%	8,560.74	24,372.00	(15,811.26)	35.13%
Contingency Fund		2,166.00	(2,166.00)	0.00%	0.00	19,494.00	(19,494.00)	0.00%
Duplication Expenses		466.00	(466.00)	0.00%	1,385.68	4,194.00	(2,808.32)	33.04%
Electric Service	1,650.82	1,166.00	484.82	141.58%	13,093.68	10,494.00	2,599.68	124.77%
Emp / Comm Appreciation		208.00	(208.00)	0.00%	717.07	1,872.00	(1,154.93)	38.31%
Federal Unempl Expense	38.66		38.66		1,229.37	0.00	1,229.37	
Health Insurance	2,687.58	2,600.00	87.58	103.37%	26,597.83	23,400.00	3,197.83	113.67%
Health Insurance - Opt Out	400.00	400.00	0.00	100.00%	3,600.00	3,600.00	0.00	100.00%

Quad Cities Communications Commission
Budget vs. Actuals: Budget 2013 - FY13 P&L
 January - September, 2013

	Sep 2013				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Insurance - Deductibles		41.00	(41.00)	0.00%	0.00	369.00	(369.00)	0.00%
Insurance - Liability / Bonds		635.00	(635.00)	0.00%	5,087.00	5,715.00	(628.00)	89.01%
Lawn Service	684.81	291.00	393.81	235.33%	3,523.99	2,619.00	904.99	134.55%
Legal Fees	1,297.60	833.00	464.60	155.77%	4,069.93	7,497.00	(3,427.07)	54.29%
Legislative Lobbying		83.00	(83.00)	0.00%	1,660.00	747.00	913.00	222.22%
Licenses and Permits		83.00	(83.00)	0.00%	0.00	747.00	(747.00)	0.00%
Meals	108.70	83.00	25.70	130.96%	675.30	747.00	(71.70)	90.40%
Memberships - NATOA / Others		456.00	(456.00)	0.00%	3,465.00	4,104.00	(639.00)	84.43%
Mileage	408.33	1,000.00	(591.67)	40.83%	3,729.54	9,000.00	(5,270.46)	41.44%
Miscellaneous Expenses		375.00	(375.00)	0.00%	253.43	3,375.00	(3,121.57)	7.51%
Natural Gas	31.67	166.00	(134.33)	19.08%	1,754.83	1,494.00	260.83	117.46%
Office Supplies / Equipment	26.78	1,258.00	(1,231.22)	2.13%	5,655.36	11,322.00	(5,666.64)	49.95%
Operating Transfer Out		1,666.00	(1,666.00)	0.00%	0.00	14,994.00	(14,994.00)	0.00%
Parking Lot Maintenance		416.00	(416.00)	0.00%	2,477.00	3,744.00	(1,267.00)	66.16%
Payroll Expenses (ADP)	381.65	433.00	(51.35)	88.14%	4,372.35	3,897.00	475.35	112.20%
PERA	3,897.87	4,281.00	(383.13)	91.05%	34,011.56	38,529.00	(4,517.44)	88.28%
Postage	45.73	83.00	(37.27)	55.10%	467.72	747.00	(279.28)	62.61%
Printing / Copy Services	45.53	208.00	(162.47)	21.89%	93.73	1,872.00	(1,778.27)	5.01%
Professional Development	982.43	1,425.00	(442.57)	68.94%	9,327.57	12,825.00	(3,497.43)	72.73%
Publications		59.00	(59.00)	0.00%	227.17	531.00	(303.83)	42.78%
Ramsey Capital Equipment	245.72		245.72		51,126.01	0.00	51,126.01	
Sales Tax		41.00	(41.00)	0.00%	1,311.15	369.00	942.15	355.33%
Secretary Services		150.00	(150.00)	0.00%	956.95	1,350.00	(393.05)	70.89%
Snow Plowing Service		208.00	(208.00)	0.00%	2,826.25	1,872.00	954.25	150.97%
SS/Medicare Expense	4,014.59	4,518.00	(503.41)	88.86%	36,002.52	40,662.00	(4,659.48)	88.54%
STD / LTD / Life Insurance	360.58	387.00	(26.42)	93.17%	3,216.40	3,483.00	(266.60)	92.35%
Studio Sets		341.00	(341.00)	0.00%	0.00	3,069.00	(3,069.00)	0.00%
Subscription Services	55.00	815.00	(760.00)	6.75%	2,476.90	7,335.00	(4,858.10)	33.77%
Vehicle - Equipment / Repair		2,091.00	(2,091.00)	0.00%	85.53	18,819.00	(18,733.47)	0.45%
Vehicle - Insurance		250.00	(250.00)	0.00%	1,940.00	2,250.00	(310.00)	86.22%
Vehicle - Maintenance / Gas	320.31	833.00	(512.69)	38.45%	2,796.73	7,497.00	(4,700.27)	37.30%
Voiceover			0.00		240.00	0.00	240.00	
Wages - Full-time	25,892.80	28,367.00	(2,474.20)	91.28%	238,152.97	255,303.00	(17,150.03)	93.28%
Wages - PT - Comm Prog	4,039.36	4,071.00	(31.64)	99.22%	40,443.87	36,639.00	3,804.87	110.38%
Wages - PT - Gov't Prog	7,790.12	8,203.00	(412.88)	94.97%	72,924.85	73,827.00	(902.15)	98.78%
Wages - PT - Office Support	2,166.55	2,479.00	(312.45)	87.40%	21,112.94	22,311.00	(1,198.06)	94.63%
Wages - PT - Sports Prog	5,687.76	7,054.00	(1,366.24)	80.63%	42,707.89	63,486.00	(20,778.11)	67.27%
Wages - PT - Tech Support	7,577.38	8,882.00	(1,304.62)	85.31%	63,769.80	79,938.00	(16,168.20)	79.77%
Waste Removal	258.00	106.00	152.00	243.40%	1,117.99	954.00	163.99	117.19%

Quad Cities Communications Commission
Budget vs. Actuals: Budget 2013 - FY13 P&L
 January - September, 2013

	Sep 2013				YTD			
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget
Web / VOD / Int / CaTV / Phone	951.33	1,970.00	(1,018.67)	48.29%	8,626.33	17,730.00	(9,103.67)	48.65%
Work Comp Insurance	3,058.00	225.00	2,833.00	1359.11%	5,005.00	2,025.00	2,980.00	247.16%
Total Expenses	106,275.01	114,250.00	(7,974.99)	93.02%	905,633.75	1,028,250.00	(122,616.25)	88.08%
Net Operating Income	(105,972.13)	4,194.00	(110,166.13)	-2526.76%	(179,583.39)	37,746.00	(217,329.39)	-475.77%
Net Income	(105,972.13)	4,194.00	(110,166.13)	-2526.76%	(179,583.39)	37,746.00	(217,329.39)	-475.77%

Monday, Oct 21, 2013 03:57:58 PM PDT GMT-5 - Accrual Basis

Quad Cities Communications Commission
Balance Sheet Summary
As of September 30, 2013

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	772,335.71
Accounts Receivable	0.00
Other current assets	0.00
Total Current Assets	\$ 772,335.71
Fixed Assets	0.00
TOTAL ASSETS	\$ 772,335.71
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	41,494.81
Other Current Liabilities	-0.49
Total Current Liabilities	\$ 41,494.32
Equity	730,841.39
TOTAL LIABILITIES AND EQUITY	\$ 772,335.71

QCTV Bank Reconciliation *September 2013*

Beginning Balance - 4M Statement	841,244.74
Less: Cleared Checks/Withdrawals	(74,119.85)
Plus: 4M Fund Interest	10.47
Plus: Bank Deposits	741.40
 Bank Balance	 \$767,876.76
Book Balance	767,876.76
Adjusted Book Balance	767,876.76
 Difference:	 \$0.00

Completed by: MK

Quad Cities Communications Commission Reconcile Report for

*This is a static report. Any changes to transactions since the reconcile date are not reflected here.
Report created on 10/21/2013.*

Account: Quad Cities Commission
Statement Date: 09/30/2013
Reconcile Date: 10/21/2013

Summary

Opening Balance	841,244.74
Cleared Transactions	-73,367.98
Ending Balance of Statement	767,876.76
Uncleared Transactions as of Statement Date	-1,175.00
Register Balance as of Statement Date	766,701.76
Uncleared Transactions after Statement Date	-52,707.26
Register Balance as of Reconcile Date	713,994.50

Cleared Transactions

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Payee</u>	<u>Amount</u>
Cleared Checks and Payments				
08/09/2013	Bill Payment	10041	Huebsch	99.85
08/30/2013	Bill Payment	10061	Preferred One Insurance Co.	3,361.43
08/30/2013	Bill Payment	10058	Century Link	266.62
08/30/2013	Bill Payment	10060	Orkin Pest Control	94.43
09/06/2013	Journal	09A - 2013MK		19,705.02
09/06/2013	Bill Payment	10068	Xcel Energy	1,677.23
09/06/2013	Bill Payment	10064	Market Place Plus	424.90
09/06/2013	Bill Payment	10062	Comcast Cable	195.97
09/06/2013	Bill Payment	10066	Thad Goff	75.00
09/06/2013	Journal	09A - 2013MK		187.30
09/06/2013	Bill Payment	W/D	PERA	3,559.87
09/06/2013	Bill Payment	10065	Michael L. Johnson	75.00
09/06/2013	Bill Payment	10067	U.S. Bank Corporate	1,036.78
09/06/2013	Bill Payment	10063	Laura E. Houle	240.00
09/06/2013	Journal	09A - 2013MK		6,300.58
09/06/2013	Bill Payment	W/D	CitiStreetMN	1,325.00
09/13/2013	Bill Payment	10069	A+ Cleaning Service, Inc.	407.65
09/13/2013	Bill Payment	10076	Laura E. Houle	240.00
09/13/2013	Bill Payment	10073	Holly Hansen Consulting	1,200.00
09/13/2013	Bill Payment	10074	Huebsch	195.25
09/13/2013	Bill Payment	10070	ACE Solid Waste, Inc.	108.00
09/13/2013	Bill Payment	10077	Timesavers	238.00
09/13/2013	Bill Payment	10072	CenterPoint Energy	31.67
09/13/2013	Bill Payment	10075	Image Lawncare Services, Inc.	509.56
09/20/2013	Journal	09B - 2013MK		194.35
09/20/2013	Journal	09B - 2013MK		6,403.77
09/20/2013	Journal	09B - 2013MK		19,963.44
09/20/2013	Bill Payment	10080	The Lincoln National Life Ins. Co.	479.80
09/20/2013	Bill Payment	10078	MACTA	400.00
09/20/2013	Bill Payment	10079	Mike Johnson	100.00

Reconcile Session Report

09/20/2013	Bill Payment	W/D	PERA	3,698.38
09/20/2013	Bill Payment	W/D	CitiStreetMN	1,325.00
				Subtotal: 74,119.85

Cleared Deposits and Other Credits

09/04/2013	Deposit		Terry O'Connell	673.85
09/19/2013	Deposit		Rick Meyer	37.55
09/19/2013	Deposit		Steve Cawley	15.00
09/19/2013	Deposit		Lorvin Moeller	15.00
09/30/2013	Journal	09C - 2013MK		10.47
				Subtotal: 751.87

Total Cleared Transactions **-73,367.98**

Uncleared Transactions as of 09/30/2013

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Payee</u>	<u>Amount</u>
Uncleared Checks and Payments				
07/16/2013	Bill Payment	10010	City of Anoka	125.00
08/02/2013	Bill Payment	10033	Thad Goff	225.00
08/09/2013	Bill Payment	10045	Thad Goff	75.00
08/30/2013	Bill Payment	10059	NATOA	650.00
09/13/2013	Bill Payment	10071	Anoka Area Chamber of Commerce	100.00
				Subtotal: 1,175.00

Uncleared Deposits and Other Credits Subtotal: 0.00

Total Uncleared Transactions as of 09/30/2013 **-1,175.00**

Uncleared Transactions from 09/30/2013 to 10/21/2013

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Payee</u>	<u>Amount</u>
Uncleared Checks and Payments				
10/04/2013	Bill Payment	W/D	CitiStreetMN	1,325.00
10/04/2013	Bill Payment	W/D	PERA	3,717.50
10/04/2013	Bill Payment	10084	City of Anoka	25,764.00
10/04/2013	Bill Payment	10094	Tightrope Media Systems	551.00
10/04/2013	Bill Payment	10087	Holiday Station	320.31
10/04/2013	Bill Payment	10086	G & B Environmental, Inc	116.49
10/04/2013	Bill Payment	10088	Kennedy & Graven, Chartered	1,297.60
10/04/2013	Bill Payment	10093	Presto Graphics	45.53
10/04/2013	Bill Payment	10091	Newegg Inc.	105.95
10/04/2013	Bill Payment	10089	Laura E. Houle	280.00
10/04/2013	Bill Payment	10081	ACE Solid Waste, Inc.	108.55
10/04/2013	Bill Payment	10092	Preferred One Insurance Co.	3,361.43
10/04/2013	Bill Payment	10082	Century Link	260.02
10/04/2013	Bill Payment	10083	City of Andover	896.23
10/04/2013	Bill Payment	10095	Verizon Wireless	50.08
10/04/2013	Bill Payment	10085	Comcast Cable	175.61
10/04/2013	Bill Payment	10090	LMCIT	3,058.00
10/04/2013	Bill Payment	10096	Xcel Energy	1,650.82
10/07/2013	Bill Payment	10102	James Dickinson	40.00
10/07/2013	Bill Payment	10099	Comcast Cable	822.05

10/07/2013	Bill Payment	10098	Carl E. Anderson	40.00
10/07/2013	Bill Payment	10097	Bret Heitkamp	40.00
10/07/2013	Bill Payment	10100	Eric Johnson	40.00
10/07/2013	Bill Payment	10105	Newegg Inc.	186.44
10/07/2013	Bill Payment	10104	Julie Trude	40.00
10/07/2013	Bill Payment	10103	John Letourneau	40.00
10/07/2013	Bill Payment	10101	Huebsch	55.60
10/07/2013	Bill Payment	10106	Thad Goff	450.00
10/18/2013	Bill Payment	W/D	CitiStreetMN	1,325.00
10/18/2013	Bill Payment	W/D	PERA	3,626.80
10/21/2013	Bill Payment	10113	Image Lawncare Services, Inc.	684.81
10/21/2013	Bill Payment	10117	Newegg Inc.	29.26
10/21/2013	Bill Payment	10110	CenterPoint Energy	31.07
10/21/2013	Bill Payment	10115	Market Place Plus	424.90
10/21/2013	Bill Payment	10112	Costco	110.00
10/21/2013	Bill Payment	10111	Comcast Cable	40.72
10/21/2013	Bill Payment	10108	Amazon	1,785.95
10/21/2013	Bill Payment	10116	Monarch Pest Control	112.64
10/21/2013	Bill Payment	10118	Orkin Pest Control	94.43
10/21/2013	Bill Payment	10121	U.S. Bank Corporate	1,285.36
10/21/2013	Bill Payment	10114	Job Foundation/Tech Dump	150.00
10/21/2013	Bill Payment	10119	Section 6AAAAA/5AAAAAA	150.00
10/21/2013	Bill Payment	10120	Sectional Hockey Tournaments	250.00
10/21/2013	Bill Payment	10107	A+ Cleaning Service, Inc.	407.65
10/21/2013	Bill Payment	10109	Anoka Area Chamber of Commerce	125.00
				Subtotal: 55,471.80

Uncleared Deposits and Other Credits

10/02/2013	Deposit		Jeff	20.00
10/02/2013	Deposit		RMS	850.00
10/09/2013	Deposit		Charlie Roemhild	53.64
10/09/2013	Deposit		Gloria Crane	37.55
10/09/2013	Deposit		Therese Weierke	17.50
10/09/2013	Deposit		Terry O'Connell	673.85
10/09/2013	Deposit		El Gato Con Botas Lrn Ctr	12.00
10/21/2013	Deposit		Fifth Avenue Dental, PA	1,100.00
				Subtotal: 2,764.54

Subtotal: 09/30/2013

-52,707.26

QCCCC Agenda Item

4.3 Executive Director's Report

November 15, 2013

To: Commissioners

From: Karen George, Executive Director

Subject: Executive Director's Report

Quad Cities Community Television is the destination for community programming and it is exciting to be a part of the team delivering live, video-on-demand and cablecast stories of what's happening in Andover, Anoka, Champlin, and Ramsey.

Budget preparation

The 2014 operating budget and the draft five-year capital budget were compiled by staff. The budget committee reviewed the proposed budgets on October 17. Minor adjustments were made based on commissioner input. The budgets are before the commission for adoption.

Organizational Assessment project

Holly Hansen Consulting is moving forward with an organizational structure, staffing plan, and developing job descriptions. The personnel committee will review and provide input before coming back to the commission for action. The project is on track for completion by the end of December 2013.

Building maintenance

The building has undergone a complete assessment for maintenance needs. In the past month the outdoor lighting has been repaired, the rear canopy reattached to the exterior, downspouts installed on the front entrance canopy, interior floors sealed, and the roof assessed for repairs. A 2013-budgeted building improvement was completed: installation of a handicap accessible door in the front entry.

New telephone system

New telephone systems have been researched and QCTV will lease rather than purchase. QCTV will lease from business partner Comcast for telephone equipment and monthly service. The new system is expected to be installed in January 2014.

Comcast payments received

The third quarter Comcast payments have been received. Third quarter revenues are holding as compared to second quarter.

Action Requested: None.

QCCCC Agenda Item

5.1 Award Presentations

November 15, 2013

To: Commissioners

From: Karen George, Executive Director

Subject: Award Presentations

The National Association of Telecommunications Officers and Advisors (NATOA) announced award recipients at the September national conference. QCTV took home three awards.

Public Affairs – Third Place
Public Safety Talk

Live Sports Event – Honorable Mention
QCTV Sports – Girls Hockey

Use of Social Media – Honorable Mention
QCTV Social Media

This is the first year this award category was offered.

The Government Programming Awards (GPAs) are annual awards that recognize excellence in broadcast, cable, multimedia and electronic programming produced by local government agencies. Categories cover a variety of programming including, among others, community events, documentary, public affairs and public service, interview/talk show, performing arts, sports, election coverage and children's issues. Celebrating over 25 years of programming excellence, the GPA's celebrate the achievements of government programmers across the nation.

Action Requested: Presentation of awards.

QCCCC Agenda Item

5.2 PSA Day

November 15, 2013

To: Commissioners

From: Karen George, Executive Director

Subject: PSA Day

QCTV sponsored a PSA Day for local civic and non-profit organizations on September 24, 2013. A total of 13 PSA's were created for use by QCTV and the organizations. Attached is a more detailed report on the activity. QCTV plans to offer a PSA Day for member cities to promote city services using the PSA format.

Action Requested: None.

QCTV's First Ever PSA Day

Altogether, we produced 13 PSAs for local non-profit organizations. Twelve groups came to our studio on 9/24/13. One additional non-profit submitted all the necessary materials for a PSA but declined to actively participate ("too shy / not enough time").

On September 24th, I scheduled a taping every half hour – starting at 9:00am. Five groups came through in the morning. I had openings during the lunch hour but since no group booked that time, we had a nice (and needed!) break. Seven groups came through in the afternoon session.

For the most part, almost every group could have been a bit more prepared. Prior to our taping day, I had instructed each group with what to do, what to expect, the length and content of their script, etc. Here's what happened:

- 2 groups were very well prepared
- 7 groups were more or less prepared (requiring some pre-taping work)
- 3 groups were not prepared (needing more extensive pre-taping work)

About half of the group only wanted to do a voice over (VO). They read their script and supplied us with enough photos and/or graphics and/or video so that we could edit a PSA for them. The other half of the group appeared on camera and used a TelePrompTer.

The length of the PSA was an issue. It was, perhaps, unrealistic to expect a :30 or :60 take from people who are not TV producers. Consequently, we have a couple of :45 PSAs.

While I feel that our very first PSA Day was a success, there certainly is room for improvement. Here are some ideas:

- scripting (insist on a written script several days prior to taping)
- photos / graphics / video (Format? Size? Copyright?)
- scheduling (try to accommodate 'must have' appointments / needing flexibility for others)
- information/materials (take notes / file folder for each group)
- the correct contact information is key. I had several people who supplied us with their website (only to learn later that it was the national website and not their local website).
- timing (decide ahead of time if a :45 PSA is okay – or not)

Logistics:

Working with our local Chamber of Commerce, I got a list of approximately 90 area non-profit organizations. I sent a letter to each one, describing what we were offering – and what would be required of them. The response to the mailing was minimal (we had more letters marked Return To Sender than interested responses). A series of follow-up phone calls is what really got people's attention. We got 13 non-profits to commit.

I selected a normally not-busy Tuesday that was several weeks in the future, reserved our studio and assigned one of my producers to record the sessions. We had a variety of studio backgrounds available to us and a Teleprompter. We shot everything in HD.

The half-hour scheduling worked pretty well. I didn't want people stacked up and waiting and I also didn't want huge gaps in time. The half-hour sessions provided enough time to work with our clients to get a good product – but not too much time to over-think (and/or over-do) each of the PSAs.

Most of the people brought photos or graphics or videos with them. A few emailed them ahead of time while the rest sent their items to me immediately after our recording session.

We had a few instances of misinformation (as previously mentioned) and one spelling error. Other than those minor items, the recording and editing process went very smoothly.

When completed, the link to the PSAs was emailed (via Dropbox) to each of the clients. They were able to view their own PSA and, upon approval, could load it directly to their own website. We incorporated each of the PSAs into our own system and are currently inserting them into our programming.

Costs:

Depending on how particular / detailed a person wants to get with regard to the costs involved with our PSA Day, I've listed all of the categories with the hours / costs involved.

Composing the letter	1 hour
Printing	1 hour
Postage	\$40
Follow-up phone calls	1 hour???
Studio rental	8 hours
Producer #1	8 hours
Producer #2	8 hours
HD camera rental	8 hours
Non-studio PSA	3 hours
Editing	71 hours (includes several re-edits)
Final approvals	1 hour

This totals 110 hours. We got 13 PSAs. That figures out to about 8.5 hours per PSA.

Conclusion:

By offering this FREE PSA Day to area non-profits, I feel QCTV accomplished a couple of things...

- we provided a valuable service to organizations that might otherwise never get a PSA
- we introduced ourselves to organizations we hadn't had much interaction with
- we increased our inventory of PSAs to use within our own programming
- we planted some seeds for future PSA Days
- we learned how to do a better, more efficient process for future sessions

Clients:

Meals on Wheels

Achieve Services

Anoka Area Kiwanis

Champlin Women of Today

TOPS

Northern Lights Soccer Club

Anoka Band Programs

Farmstead Homes

Store-to-Door

Anoka Community Concert Association

Anoka Gardeners' Club

American Sewing Guild

American Legion (Anoka)

QCCCC Agenda Item

5.3 Budget Approval

November 15, 2013

To: Commissioners

From: 2014 Operating Budget and DRAFT Five-Year Capital Budget

The 2014 Proposed Operating Budget and draft Five-Year Capital Budget are attached for your final review. The proposed budgets were reviewed in detail at the October 17 budget committee meeting.

Financial Records Disclosure

Financial records of the Quad Cities Cable Communications Commission (QCCCC) are maintained at Andover City Hall, 1685 Crosstown Boulevard NW, Andover, MN 55304. Financial custodians are Karen George, Executive Director, and Lee Brezinka, Andover Assistance Finance Director. The financial statements are audited annually by HLB Tautges Redpath, Ltd.

Action Requested:

Approval of the 2014 Operating Budget.

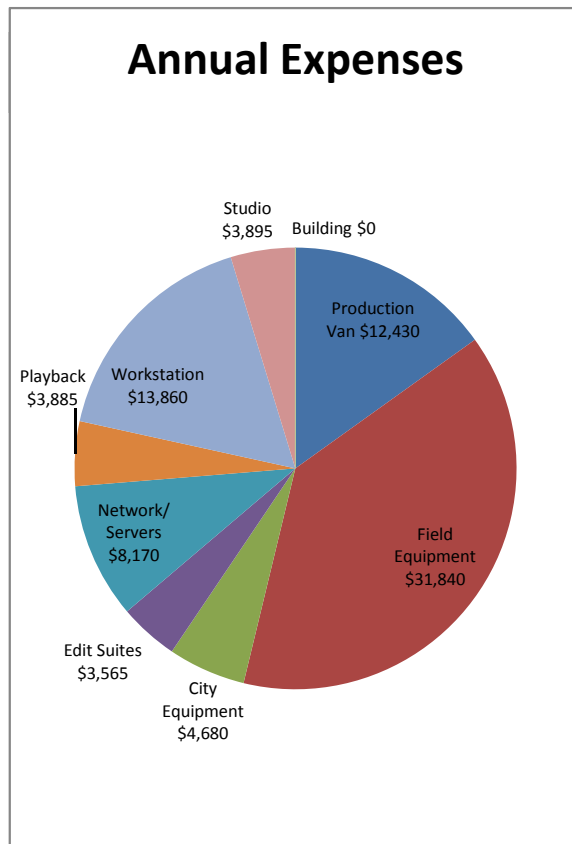
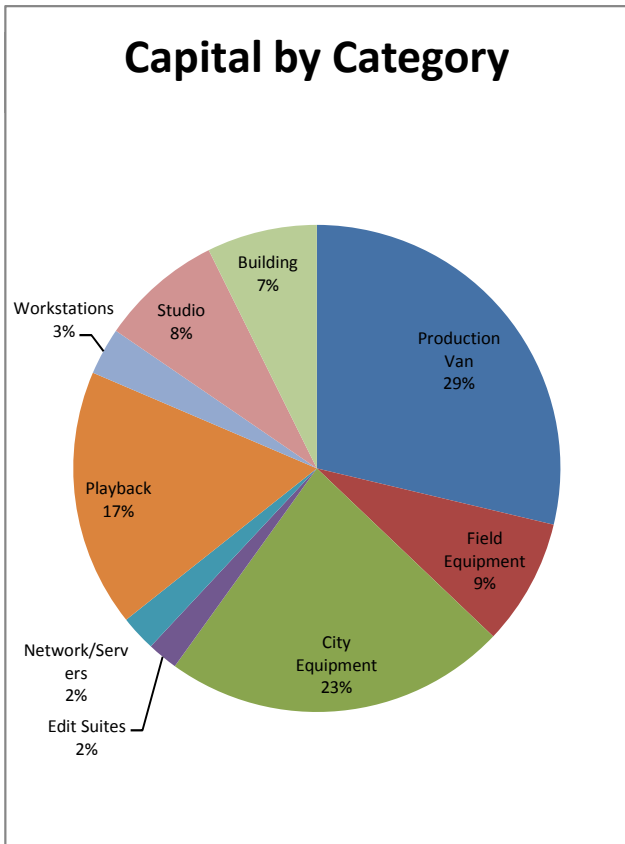
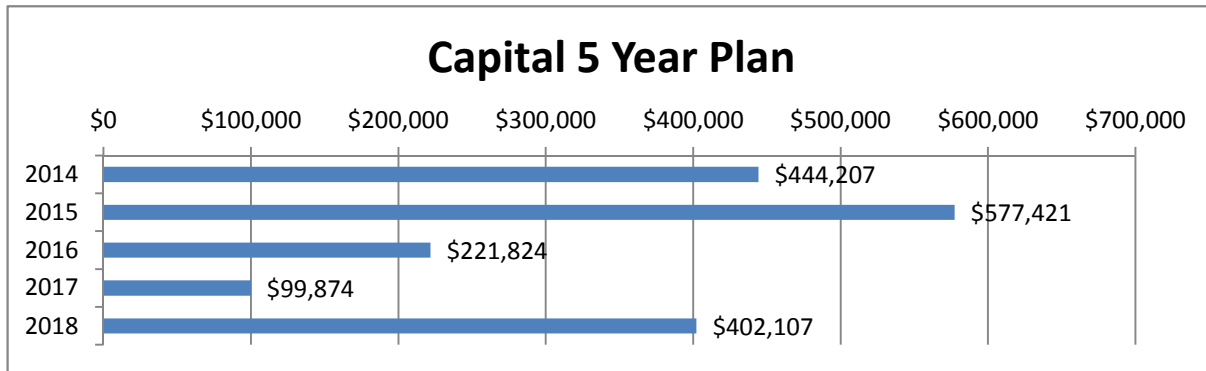
Approval of the Draft Five-Year Capital Budget.

REVENUE	2014 Proposed
DUPLICATION REVENUE	\$ 2,500.00
EQUIPMENT GRANT	\$ 50,618.00
FRANCHISE FEES	\$ 892,090.00
INTEREST INCOME	\$ 100.00
MISC. INCOME	\$ 5,000.00
PEG FEES	\$ 446,046.00
TOTALS:	\$ 1,396,354.00
EXPENSES	2014 Proposed
FULL TIME WAGES	
ED (1) Dir. (3) Specialist (1) Producer (1)	\$ 340,412.00
PART TIME WAGES	
Government Programming	
A-P (4) Assistants (4)	\$ 98,441.00
Community Programming/Commercial Productions	
A-P (8) Assistants (4)	\$ 48,858.00
Sports Programming	
A-P (12) Assistants (4)	\$ 82,565.00
Tech Support	
Assistants (5)	\$ 68,656.00
Office Support	
Receptionists (2)	\$ 30,053.00
FLEX PLAN ACCOUNTS (HSA)	\$ -
HEALTHCARE INSURANCE PREMIUMS	\$ 32,800.00
HEALTHCARE INSURANCE OPT OUT	\$ 4,800.00
PERA	\$ 51,383.00
SOCIAL SECURITY	\$ 54,216.00
STD/LTD/LIFE INSURANCE	\$ 4,644.00
WORKERS COMP INSURANCE	\$ 3,100.00
BUILDING EXPENSES	
BUILDING CLEANING	\$ 5,000.00
BUILDING INSURANCE	\$ 2,894.00
BUILDING MAINTENANCE	\$ 7,000.00
BUILDING SUPPLIES	\$ 3,000.00
CITY SEWER AND WATER	\$ 4,000.00
ELECTRIC SERVICE	\$ 17,500.00
LAWN SERVICE	\$ 3,500.00
NATURAL GAS SERVICE	\$ 2,300.00
PARKING LOT/Exterior MAINTENANCE	\$ 5,000.00
SNOW SERVICE	\$ 3,000.00
WASTE REMOVAL	\$ 1,300.00

OPERATING EXPENSES	
ACCOUNTING/HR SERVICES	\$ 18,000.00
ADS/PROMOS/SPONSORSHIPS	\$ 6,850.00
ANNOUNCERS FEES	\$ 17,240.00
AUDIT	\$ 14,600.00
A/V EQUIP/REPAIR/SUPPLY/SOFTWARE	\$ 49,890.00
BANK CHARGES/CC FEES	\$ 500.00
BRAND APPAREL	\$ 2,000.00
CAR ALLOWANCE	\$ 3,000.00
COMMISSION EXPENSES	\$ 3,500.00
COMPUTER EQUIP/REPAIR/SUPPLY/SOFT	\$ 28,630.00
CONSULTING SERVICES	\$ 50,000.00
CONTINGENCY FUND	\$ 26,000.00
DUPLICATION SUPPLIES	\$ 3,600.00
EMP/COMM APPRECIATION	\$ 2,500.00
INSURANCES (Liability/Assets)	\$ 6,964.00
INSURANCES (Deductables Paid)	\$ 500.00
LEGAL	\$ 30,000.00
LEGISLATIVE LOBBYING	\$ 1,660.00
LICENSES/PERMITS	\$ 1,000.00
MEALS	\$ 1,000.00
MILEAGE REIMBURSEMENT	\$ 5,000.00
MISC. EXPENSES	\$ 4,500.00
MOBILE PHONE ALLOWANCE	\$ 2,900.00
MOBILE PHONE REIMBURSEMENTS	\$ -
MEMBERSHIPS NATOA/OTHER	\$ 5,480.00
OFFICE SUPPLIES/EQUIP	\$ 8,500.00
PAYROLL EXPENSES (ADP)	\$ 5,200.00
POSTAGE	\$ 1,000.00
PRINT/COPY SERVICES	\$ 2,000.00
PROFESSIONAL DEVELOPMENT	\$ 17,100.00
PUBLICATIONS	\$ 710.00
SALES TAX	\$ 2,000.00
SECRETARIAL SERVICES	\$ 1,800.00
STUDIO SETS	\$ 2,000.00
SUBSCRIPTION SERVICES	\$ 3,000.00
VEHICLE EQUIP/REPAIR	\$ 18,930.00
VEHICLE INSURANCE	\$ 3,000.00
VEHICLE MAINTENANCE/GAS	\$ 6,300.00
WEB/VOD/INT/CATV/PHONE	\$ 16,210.00
CITY CIP maintenance/annual expenses	\$ 20,000.00
TOTALS:	\$ 1,267,486.00
OPERATING FUND Net	\$ 128,868.00

5 Year Budget Plan 2014-2018

Category	Annual Expenses		Capital 5 Year Plan				
	Maintnenace	Service Fees	2014	2015	2016	2017	2018
Production Van	\$12,430	\$0	\$5,500	\$469,214	\$5,500	\$15,500	\$5,500
Field Equipment	\$11,840	\$20,000	\$40,500	\$32,000	\$40,000	\$1,000	\$33,000
City Equipment	\$4,680	\$0	\$152,000	\$27,000	\$20,000	\$39,000	\$160,000
Edit Suites	\$1,765	\$1,800	\$8,499	\$8,499	\$1,616	\$8,499	\$8,499
Network/Servers	\$3,170	\$5,000	\$6,633	\$9,433	\$6,133	\$4,600	\$14,633
Playback	\$3,885	\$0	\$153,600	\$0	\$2,500	\$0	\$142,500
Workstations	\$3,660	\$10,200	\$10,975	\$9,775	\$11,575	\$9,775	\$12,475
Studio	\$3,895	\$0	\$51,500	\$21,500	\$21,500	\$21,500	\$25,500
Building	\$0	\$0	\$15,000	\$0	\$113,000	\$0	\$0
TOTALS	\$45,325	\$37,000	\$444,207	\$577,421	\$221,824	\$99,874	\$402,107



**Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan**

Category	Production Van
Project	HD Upgrade



Description

This project upgrades all audio/video equipment in the production van from standard definition to high definition. This includes cameras, tripods, recorders, monitors, switcher, telex, graphics, replay, audio, and harddrives. Note: This significantly upgrades the graphics, scoreboard and replay abilities.

Justification

Compliance with industry standard for high definition television production. System enhancements in graphics and replay will enhance the viewer experience.

Item	2014	2015	2016	2017	2018	Total
Graphics		48,000.00				48,000
Van						-
Replay System		90,000.00				90,000
Cameras (4)		200,000.00				200,000
Tripods (4)		30,000.00				30,000
Switcher/Das/Routers		75,000.00				75,000
Monitors				10,000.00		10,000
Audio		714.00				714
Telex System	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	12,500
Recorders (2)						-
ScoreBox		20,000.00				20,000
Record Hard Drives	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	15,000
Total	5,500	469,214	5,500	15,500	5,500	501,214

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$12,430.

**Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan**

Category	Field Equipment
Project	HD Upgrade



Description

This project upgrades all audio/video equipment in the array of field equipment from standard definition to high definition. This includes the REMO system, field cameras, government camera kits, sports camera kits, light kits, mic/Go Pros, digital SLR still camera, tripods, audio. Note: the annual operational costs include a one-year lease for a Live U remote signal delivery via wireless.

Justification

Compliance with industry standard for high definition television production. The Live U provides back up redundancy should the I-Net signal fail and will allow more live feeds from locations that are not served by the I-Net.

Item	2014	2015	2016	2017	2018	Total
Remo	35,000.00					35,000
Field/Studio Camera Kits (6)			16,000.00		32,000.00	48,000
Government Camera Kits (4)		32,000.00				32,000
Sports Camera Kit (1)			8,000.00			8,000
Soft Box Kits (2)			1,000.00			1,000
Tota Light Kits (kit of 2)					1,000.00	1,000
Reflectors/Glide Cam/Etc.						-
Audio Mix Kit	2,500.00					2,500
Mico/GoPro Cams (2)				1,000.00		1,000
DSLR Camera	3,000.00					3,000
Cargo Van			15,000.00			15,000
Live U						-
Total	40,500	32,000	40,000	1,000	33,000	146,500

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$11,840. And \$20,000 for for the Live U lease agreement.

**Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan**

Category	Member City CIP
Project	HD Upgrade



Description

This project upgrades all audio/video equipment in each city council chambers from standard definition to high definition. This includes cameras, recorders, monitors, encoders, presentation system, and audio.

Justification

Compliance with industry standard for high definition television production.

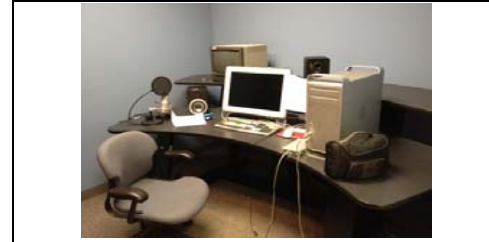
Item	2014	2015	2016	2017	2018	Total
Video & Cameras (4 Cities)	140,000.00				140,000.00	280,000
Encoders/Rec./HDs (4 Cities)	12,000.00			12,000.00		24,000
Audio (4 Cities)			20,000.00		20,000.00	40,000
Presentation (4 Cities)		27,000.00		27,000.00		54,000
Total	152,000	27,000	20,000	39,000	160,000	398,000

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$4,680.

Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan

Category	Edit Suites
Project	HD Upgrade



Description

This project upgrades all audio/video equipment in the the edit suites from standard definition to high definition. This includes computers, monitors, audio, and harddrives.

Justification

Compliance with industry standard for high definition television production. System upgrades to Adobe Premier which is compatable with other graphic interfaces.

Item	2014	2015	2016	2017	2018	Total
Computers (3)	3,500.00	3,500.00		3,500.00	3,500.00	14,000
Accessories	1,666.00	1,666.00		1,666.00	1,666.00	6,664
Monitors	1,000.00	1,000.00		1,000.00	1,000.00	4,000
Speakers/Mics/Headsets	550.00	550.00		550.00	550.00	2,200
UPS (3)	333.00	333.00	166.00	333.00	333.00	1,498
Portable Hard Drives (24)	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	7,250
Total	8,499	8,499	1,616	8,499	8,499	35,612

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$1,765 and annual service fees of \$1,800.

Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan

Category	Network Servers
Project	Operational system implementation



Description

This project implements network servers supporting the operations at QCTV. This includes planned replacements of aging servers, new servers for active directory, email, shared printing, VoIP, firewall, network back up and offsite storage. This also includes the security camera system and duplication equipment.

Justification

Operational network infrastructure improvements, off-site data back up, new telephone system support, and efficiency upgrades.

Item	2014	2015	2016	2017	2018	Total
Security Cam System	2,000.00				2,000.00	4,000.00
Servers/Email				2,400.00		2,400.00
Routers/Network/Firebox		1,800.00	3,000.00		3,000.00	7,800.00
Printers/Scanners	2,000.00		500.00		2,000.00	4,500.00
Network Area Storage	1,833.00	1,833.00	1,833.00		1,833.00	7,332.00
Offsite Backup				1,400.00		1,400.00
UPS (10)	800.00	800.00	800.00	800.00	800.00	4,000.00
Disc Duplicator		5,000.00			5,000.00	10,000.00
Total	6,633	9,433	6,133	4,600	14,633	41,432

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$3,170 and annual service fees of \$5,000.

Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan

Category	Playback/Channel Operations
Project	HD Upgrade



Description

This project upgrades all audio/video equipment in the playback center from standard definition to high definition. This includes playback servers, bulletin board systems, router, Prisma Ring, monitors, web streaming encoders, distribution amps, and switchers.

Justification

Compliance with industry standard for high definition television production. System enhancements include back up and redundancy to keep channels up during equipment failures.

Item	2014	2015	2016	2017	2018	Total
Playback Servers (4)	96,000.00				96,000.00	192,000
Bulletins (7)	32,000.00				32,000.00	64,000
Router (1)	2,600.00					2,600
Prisma Ring	4,000.00				4,000.00	8,000
Monitoring Computer	5,000.00				5,000.00	10,000
Web Encoders (2)	3,000.00				3,000.00	6,000
Das, Fallbacks, KVMs	6,500.00					6,500
UPS (14)	2,500.00		2,500.00		2,500.00	7,500
Recep Monitors	2,000.00					2,000
Total	153,600	-	2,500	-	142,500	298,600

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$3,885.

**Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan**

Category	Computer Workstations
Project	Annual replacement plan



Description

This project plans for the replacement of staff computer workstations on a rotating schedule.

Justification

Changing technology is increasing the capacity of workstations to do more video production. The organization is also moving to more "cloud" computing services.

Item	2014	2015	2016	2017	2018	Total
Standard System (1)	1,200.00				1,200.00	2,400
Edit System (10)	8,250.00	8,250.00	8,250.00	8,250.00	8,250.00	41,250
UPS (11)	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	7,250
Surge (20)	75.00	75.00	75.00	75.00	75.00	375
Training Laptop			1,800.00			1,800
Training Projector					1,500.00	1,500
Total	10,975	9,775	11,575	9,775	12,475	54,575

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$3,660 and annual service fees of \$10,200. Service fees are increasing in this area as more software providers are moving from software loaded on a computer to cloud-based services requiring monthly or annual subscription fees.

**Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan**

Category	Studio
Project	HD upgrade



Description

This project upgrades studio fixed assets. This includes lighting and lighting controls, audio, sets, telex, teleprompter, scan-do, and laptop. Note: This plan sig

Justification

Studio fixed assets of audio is a new upgrade while lighting is planned maintenance/replacement. The scan-do is the HD upgrade allowing a HD signal to be recorded from a presentation laptop leveraging the increase in sophisticated presentations embedded in video programs. The scan do will also be a shared asset in the organization.

Item	2014	2015	2016	2017	2018	Total
Lighting & Dimmers	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	7,500
Sound	8,000.00					8,000
Sets	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	100,000
Lighting Control	1,500.00				1,500.00	3,000
Telex System	10,000.00					10,000
Teleprompter	2,500.00				2,500.00	5,000
Scan-Do & Laptop	8,000.00					8,000
Total	51,500	21,500	21,500	21,500	25,500	141,500

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$3,895.

**Quad Cities Cable Communications Commission
2014 - 2018 Capital Plan**

Category	Facilities
Project	Caipital Maintenance



Description

This project provides maintenance such as HVAC, flooring, kitchen, office furniture generator, exertior lighting, fencing, and landscaping.

Justification

QCTV facilities are in need of general maintenance. The 5-year capital improvement plan calls for lower cost maintenace upgrades in the first year and the larger replacement issues in 2016 post-franchise renewal.

Item	2014	2015	2016	2017	2018	Total
HVAC Upgrades	5,000.00		50,000.00			55,000
Exterior Lighting Upgrades	7,000.00					7,000
Fences around AC	3,000.00					3,000
Interior Flooring			10,000.00			10,000
Kitchen Upgrades			25,000.00			25,000
Office Furniture			10,000.00			10,000
Exterior Landscaping			18,000.00			18,000
Total	15,000	-	113,000	-	-	128,000

Budget Impact / Other

Capital funds to pay for project. Annual expenses for operating budget and capital reserve investment estimated \$0.

QCCCC Agenda Item

5.4 Comcast Encryption

November 15, 2013

To: Commissioners

From: Karen George, Executive Director

Subject: Comcast Encryption

At the October 17 commission meeting, the Comcast B1 tier encryption was discussed. The encryption will begin on November 19. I will provide an oral report of encryption activation based on actual experiences on November 19.

Previous information on encryption

On November 19, 2013, Comcast Twin Cities will be encrypting B1 – Limited Basic Tier service pursuant to the FCC’s October 12, 2012 Order. After B1 encryption, all customers will require a device on every television outlet to receive video programming services. This also affects Universal Access (PEG) tier services. In the Quad Cities franchise area there are 16,917 B1 subscribers and 187 Universal tier subscribers.

The notice provides specific details about customer notification. Comcast is committed to customer service during this transition and has dedicated a toll-free phone number with trained service representatives about the unique subscriber market in the Twin Cities.

Action Requested: None.

QCCCC Agenda Item
5.5 Monthly Stats Report

November 15, 2013

To: Commissioners

From: Karen George, Executive Director

Subject: Statistical Report

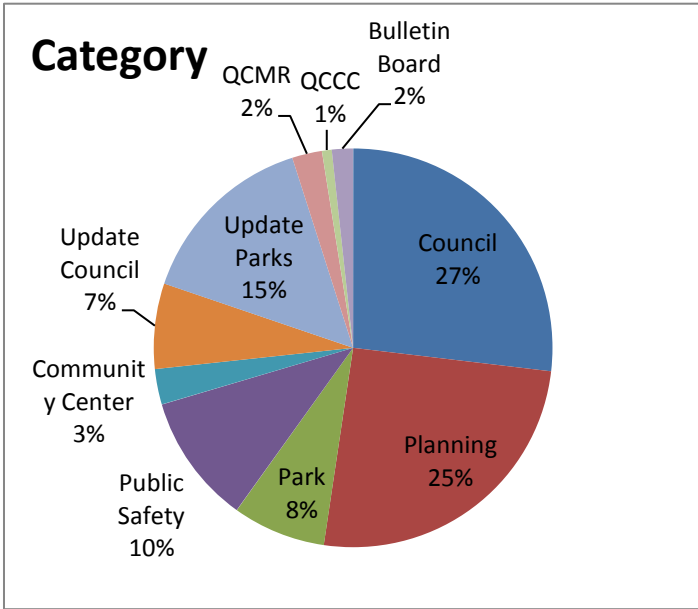
Attached you will find the October program statistical reports.

Action Requested: None.

Andover Channel & Web Statistics

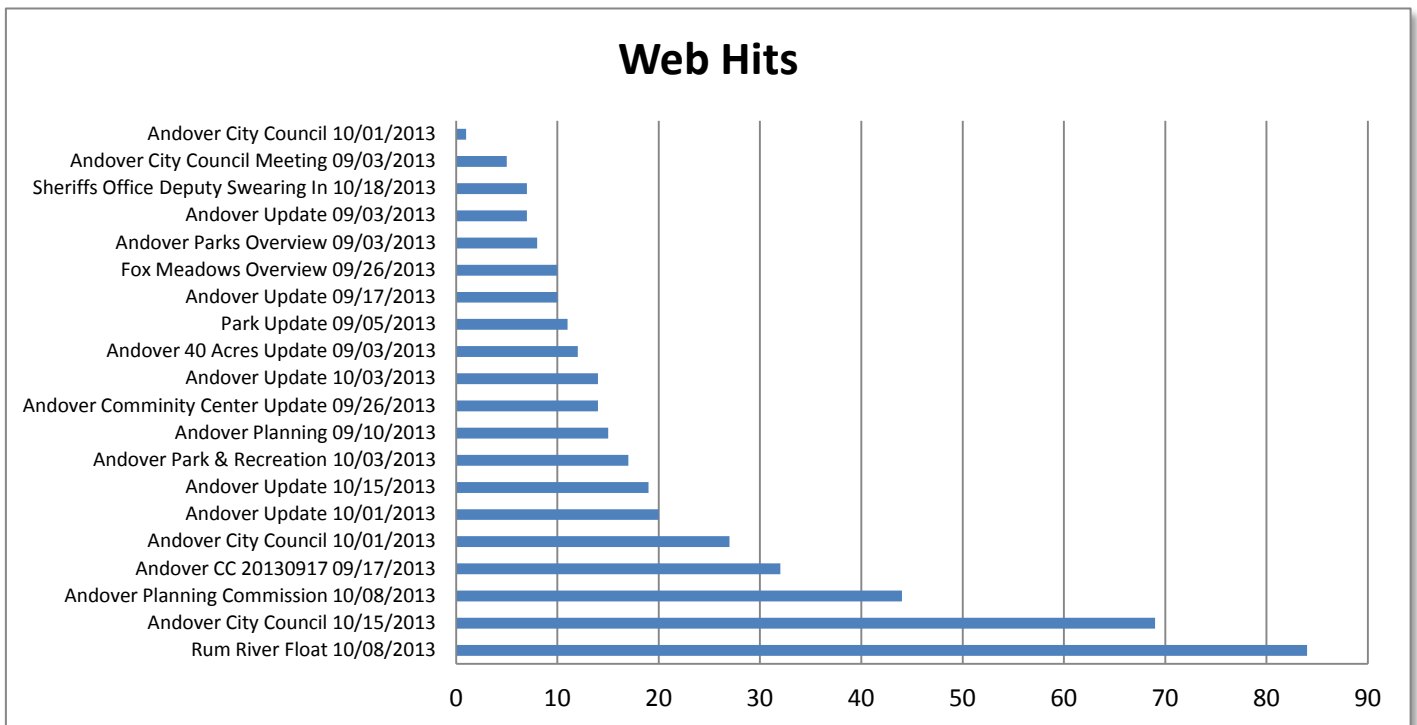
October 2013

Playback:	Shows:	Bulletin Board:	Web Hits:
Total Runs: 2692	New Shows: 11	Total Hours: 12:43	Total Hits: 426
Total Time: 731:17	New Time: 9:47	Saturation: 1.7%	
Saturation: 98.3%	All Shows: 24		
	All Time: 16:05		



Channel Up Time 99.98%		
Issues	Percentage	Hours
Scheduling	0	0
File:	0	0
Server:	.02%	00:09
Other:	0	0

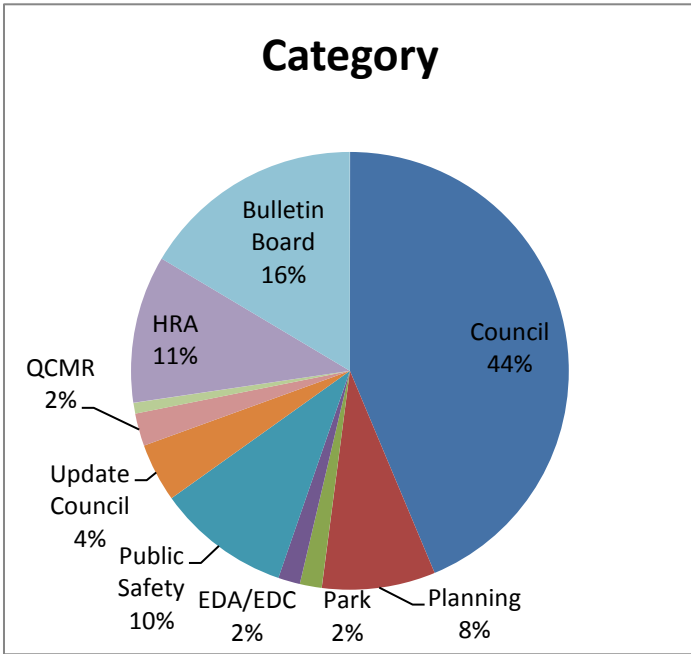
Shared With Multiple Cities		
10/22/2013	Sheriff Off Swearing-In	0:24:19
10/1/2013	Sheriff Show	0:13:29
8/29/2013	Sheriff Show	0:09:33
8/20/2013	Public Safety Talk	0:47:00
10/24/2013	QCMR	0:16:29
10/11/2013	QCMR	0:13:58
9/27/2013	QCMR	0:10:45
10/17/2013	QCCC	0:44:22



Anoka Channel & Web Statistics

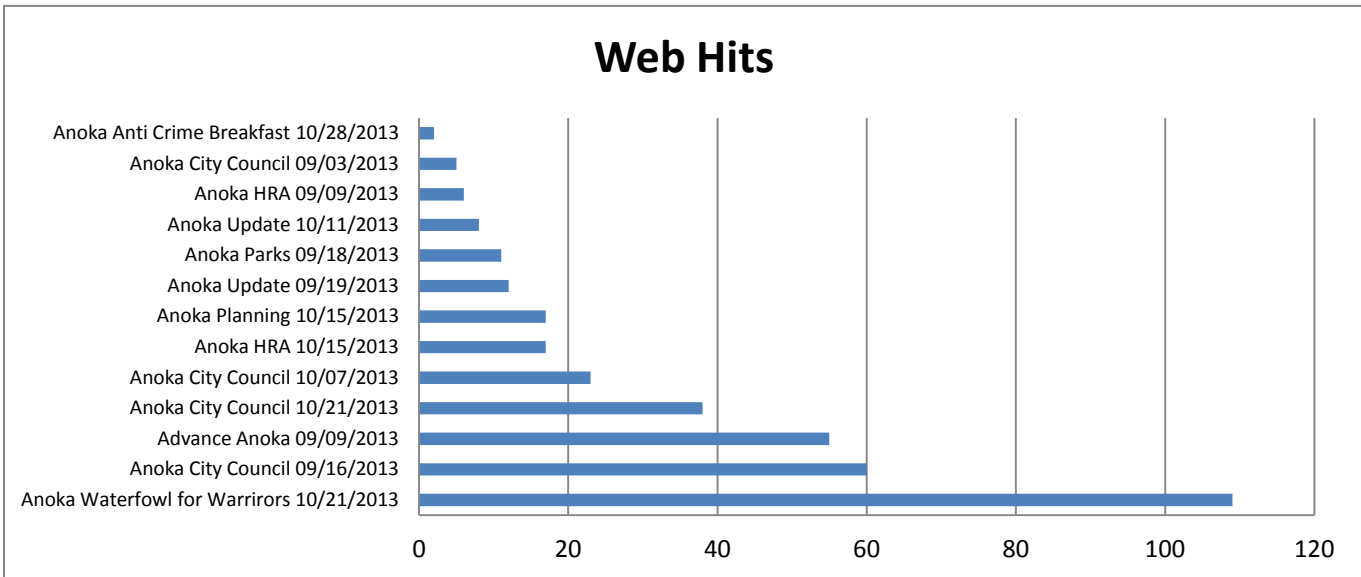
October 2013

Playback:	Shows:	Bulletin Board:	Web Hits:
Total Runs: 872	New Shows: 13	Total Hours: 122:22	Total Hits: 363
Total Time: 634:38	New Time: 9:13	Saturation: 16.4%	
Saturation: 83.6%	All Shows: 23		
	All Time: 14:32		



Channel Up Time: 99.98%		
Issues	Percentage	Hours
Scheduling:	0	0
File:	0	0
Server:	.02	00:09
Other:	0	0

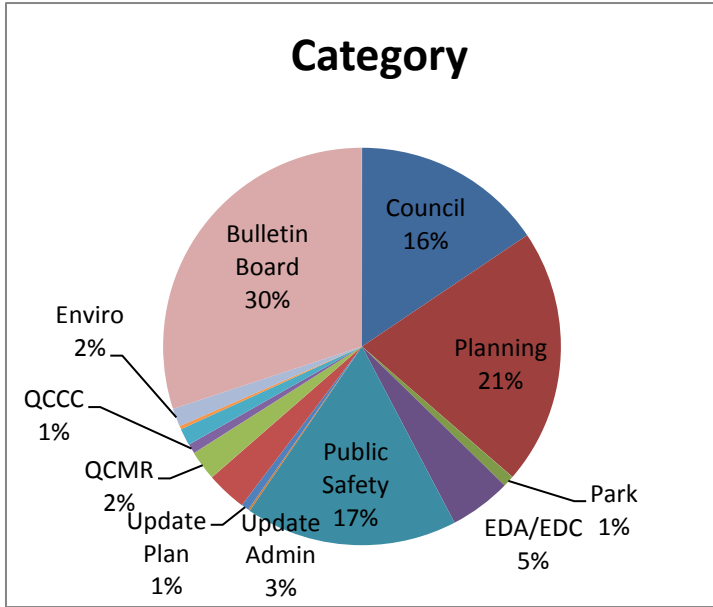
Shared With Multiple Cities		
10/23/2013	Sheriff Off Swearing-In	0:24:19
10/9/2013	Anoka Champ Fire Brd	0:29:20
10/1/2013	Sheriff Show	0:13:29
8/29/2013	Sheriff Show	0:09:33
8/22/2013	Anoka Champ Fire Brd	0:29:42
8/20/2013	Public Safety Talk	0:47:00
10/24/2013	QCMR	0:16:29
10/11/2013	QCMR	0:13:58
9/27/2013	QCMR	0:10:45
10/17/2013	QCCC	0:44:22



Champlin Channel & Web Statistics

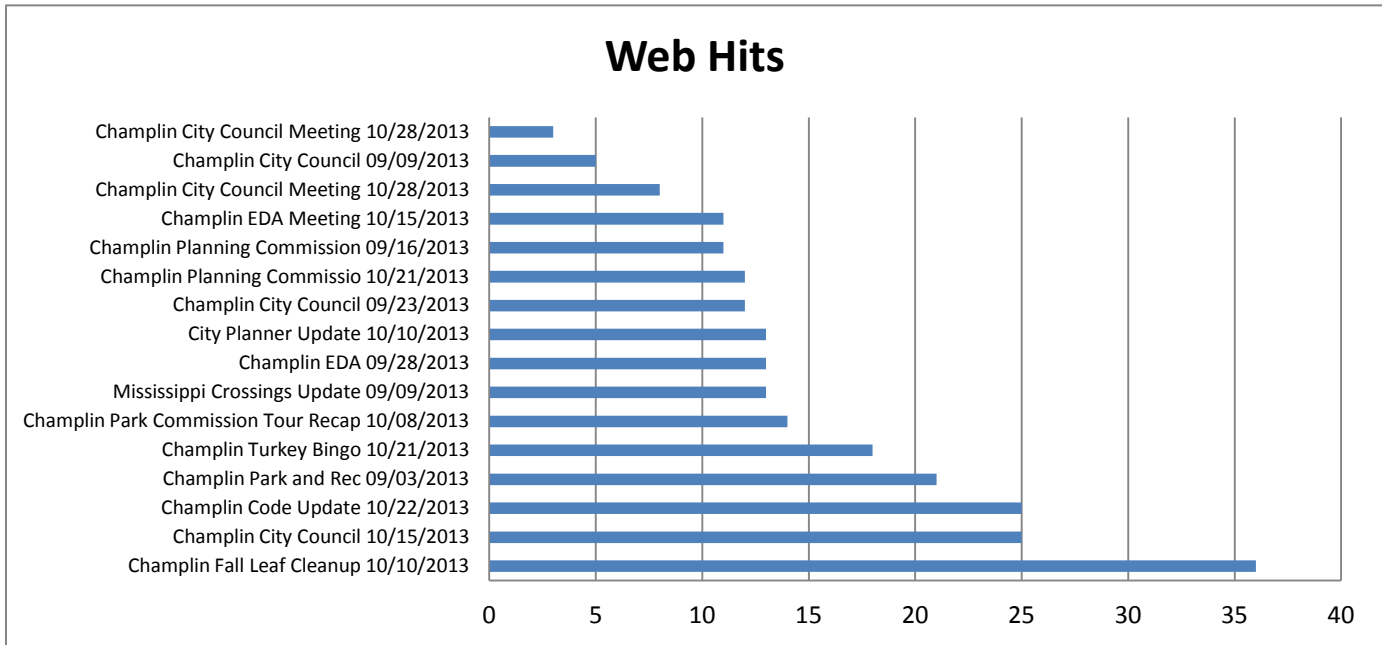
October 2013

Playback:		Shows:		Bulletin Board:		Web Hits:	
Total Runs:	1539	New Shows:	14	Total Hours:	223:48	Total Hits:	240
Total Time:	520:12	New Time:	3:39	Saturation:	30.1%		
Saturation:	69.9%	All Shows:	25				
		All Time:	7:53				



Channel Uptime 99.98%		
Issues	Percentage	Hours
Scheduling	0	0
File:	0	0
Server:	.02%	00:09
Other:	0	0

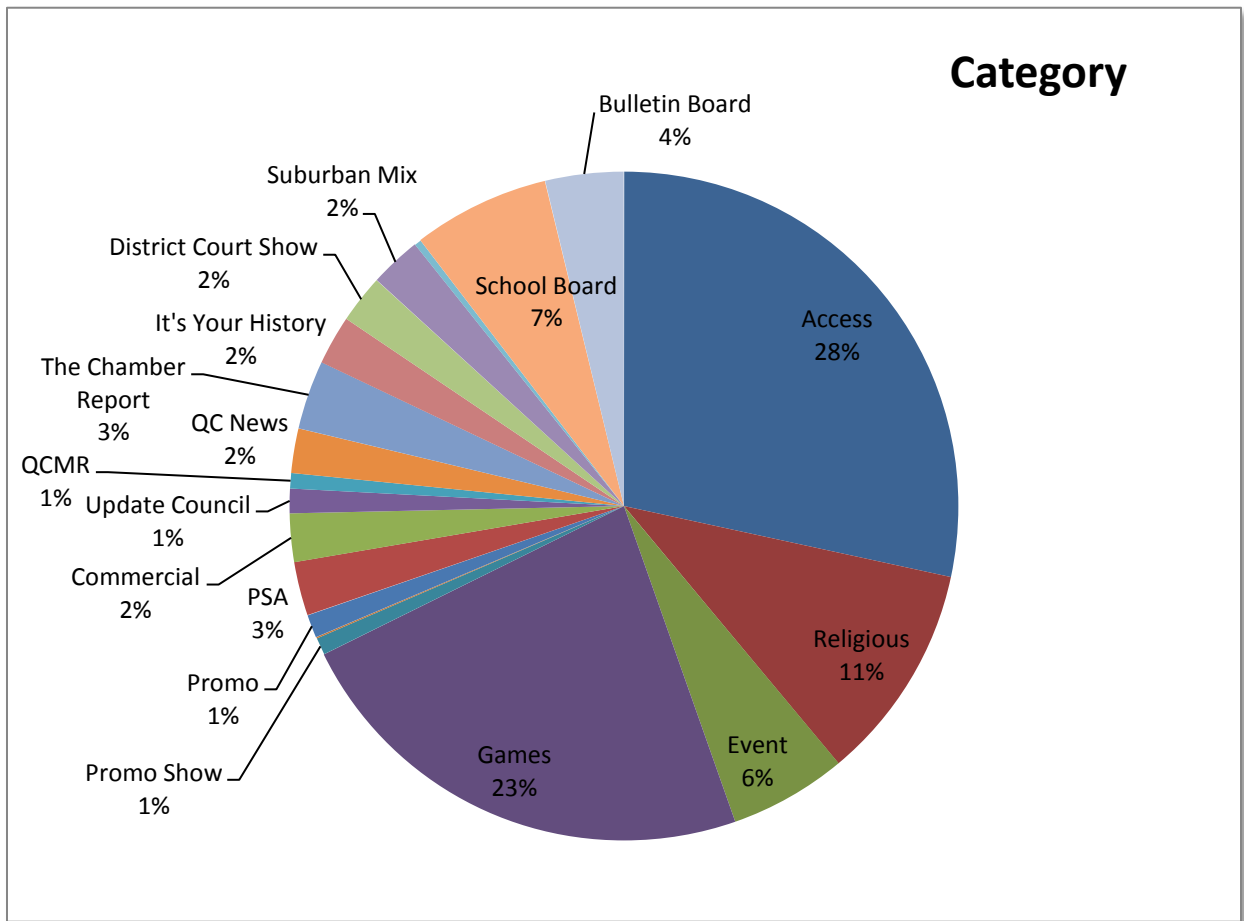
Shared With Multiple Cities		
10/9/2013	Anoka Champ Fire Brd	0:29:20
8/22/2013	Anoka Champ Fire Brd	0:29:42
8/20/2013	Public Safety Talk	0:47:00
10/24/2013	QCMR	0:16:29
10/11/2013	QCMR	0:13:58
9/27/2013	QCMR	0:10:45
10/17/2013	QCCC	0:44:22



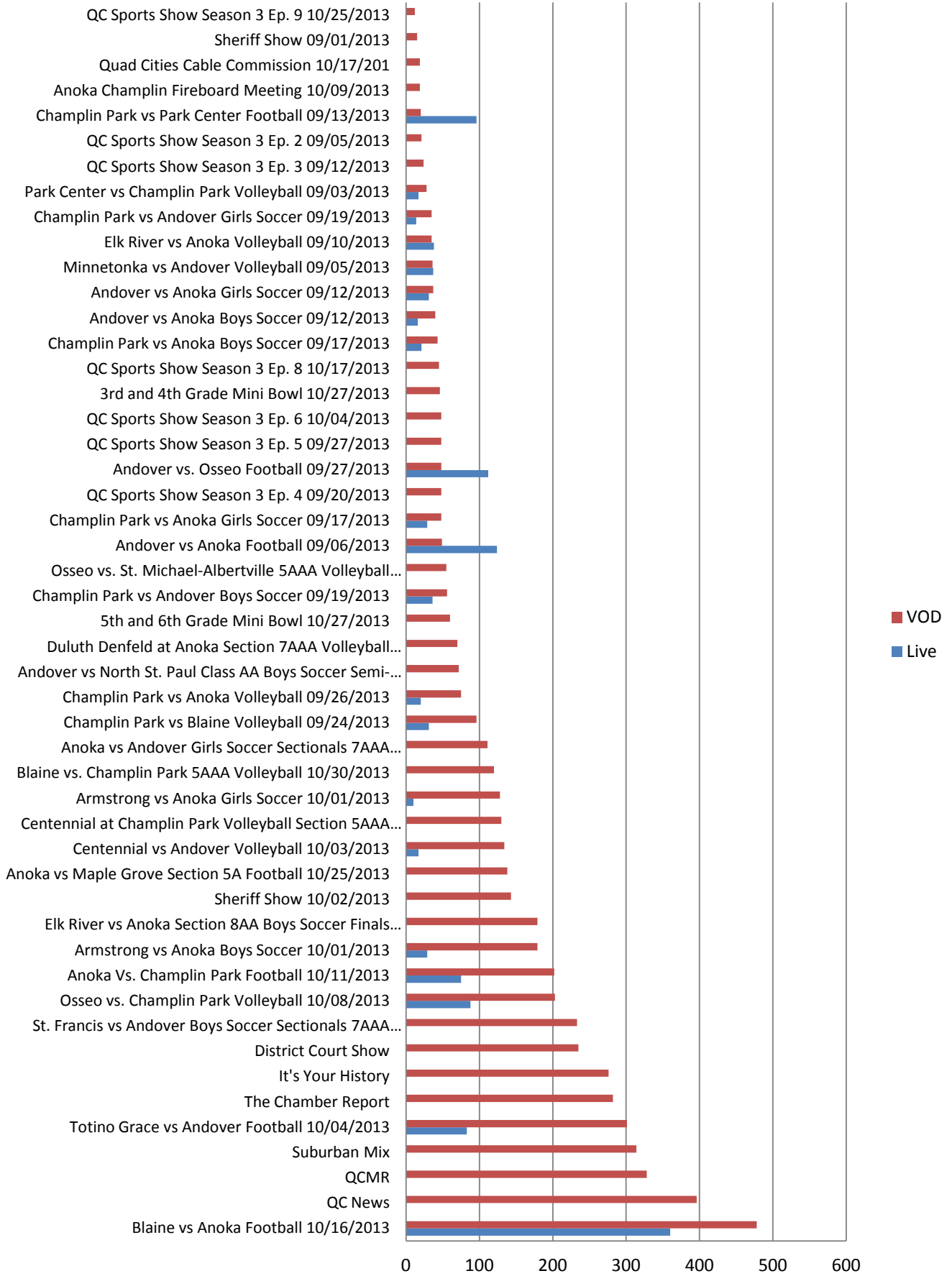
Community Channel 15 October 2013

Playback:		Shows:		Bulletin Board:		Web Hits:	
Total Runs:	2247	New Shows:	85	Total Hours:	28:15	Total VOD Hits:	5758
Total Time:	715:45	New Time:	79:15	Saturation:	3.8%	Total Live:	1284
Saturation:	96.2%	All Shows:	171				
		All Time:	123:33				

Channel Uptime 99.97 %		
Issues	Percentage	Hours
Scheduling	.03%	00:13
File:	0%	0
Server:	0%	0
Other:	0%	0



Web Hits

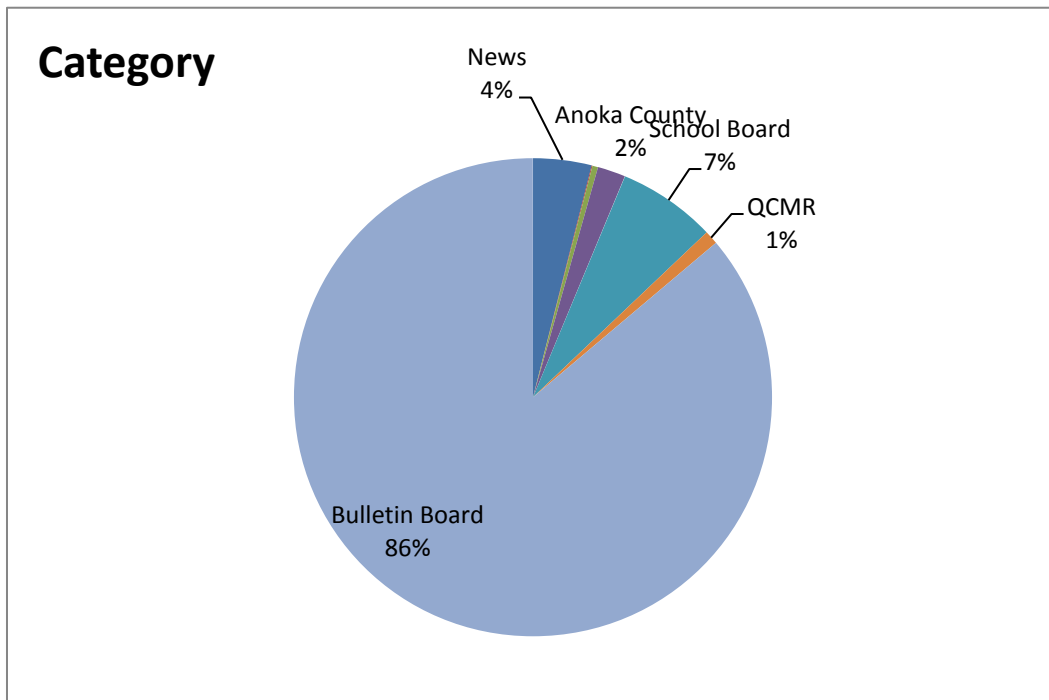


Community Channel 19

October 2013

Playback:	Shows:	Bulletin Board:
Total Runs: 194	New Shows: 11	Total Hours: 640:55
Total Time: 103:04:28	New Time: 05:59	Saturation: 86.15%
Saturation: 13.85%	All Shows: 17	
	All Time: 10:16	

Channel Uptime 100%		
Issues	Percentage	Hours
Scheduling	0	0
File:	0	0
Server:	0	0
Other:	0	0



QCCCC Agenda Item

5.6 Programming Reports

November 15, 2013

To: Commissioners

From: Karen George, Executive Director

Subject: Programming Reports (October)

Programming reports submitted by:
Government Programming Director Susan Huston
Sports Director Bruce Chaffee
Community Affairs/Creative Services Director Terry Lovaas
Computer Specialist Scott Flynn
Media Producer Tim Rick

These reports are provided for information on QCTV activities. Please feel free to contact me regarding these reports.

Action Requested: None.

MEMORANDUM

TO: QCTV Board of Directors
FROM: Susan Huston, Government Director,
Quad Cities Community Television
DATE: Monday, November 18, 2013
RE: October 2013

ISD 11 •

During the month of October, we recorded two events at the Sandburg building, a League of Women Voters sponsored candidate forum and the regular board meeting. We have also been meeting with several staff from the school district to discuss the programming on our educational channel 18. Currently, it is not reflective of an educational channel but the regular programming of two of our sister stations. We continue to work with the Anoka Hennepin school district staff to make educational programming a priority on our educational channel.

In November we are scheduled to record two school board meetings.

Bulletin Boards •

Each month we receive requests to create bulletin boards. Our reception staff creates them to promote city meetings and the meeting agendas. City events and public safety announcements are also among the many bulletin boards created each month.

In October, we had a total of 196 bulletin boards that played. There were 50 new community and city event bulletin boards, 77 bulletin board slides containing city agenda information, and 36 that carried over from September to October. We also have 33 bulletin boards that are part of the regular rotation that we don't touch unless there is a change (i.e. new contact information for a councilmember).

Contest Entries •

We are currently in the planning stages of developing our contest entries for 2014. Now that we have had a chance to enter into a couple of different contests we are more aware of what the judges are specifically looking for in entries.

So far we have two different Public Service Announcements in development on distracted driving. We have a Law Enforcement show and an Environmental Show that are ready to be submitted.

Last year we didn't submit a city meeting, but there is a category for meetings, so we will look for the most *exciting* one to submit.

Andover

During the month of October we had 11 new programs, with a total of 9 hours and 46 minutes.

Meetings:

City Council (10/01)

Planning Commission Meeting (10/08)

Cable Commission (10/17)

Park and Recreation Meeting (10/03)

City Council (10/15)

New Programming:

1. Sheriff Show

- Sheriff Open House
- Canine Training
- Holiday Crime Prevention
- Firearms Training

2. Council Update

- City Administrator hosted with Councilmember Julie Trude after the October 1 meeting

3. Quad Cities Municipal Report: *(featured stories)*

- Sports Complex Update
- Hunting Regulations

4. Council Update

- Mike Knight came in to review the meeting of October 15

5. Sheriff Office Swearing-In Ceremony

- Two new deputies were sworn-in and one deputy was promoted to commander

6. Quad Cities Municipal Report: *(featured stories)*

- Fire Station Open House
- Community Center Fall Activities Update

What we are working on:

Parks Dept Update, in-studio

Community Center Update

Tot time

Holiday Lights Recycling

Sledding Hills

Public Works Winter reminders

Anoka

During the month of October we had 13 new programs, with a total of 9 hours and 13 minutes.

Meetings:

City Council (10/07)	Housing and Redevelopment (10/15)
Anoka Champlin Fire Board Meeting (10/09)	Cable Commission (10/17)
Planning Commission Meeting (10/15)	City Council (10/21)

New Programming

1. Sheriff Show (*featured topics*)
 - o Sheriff Open House
 - o Canine Training
 - o Holiday Crime Prevention
 - o Firearms Training
2. Council Update
 - o Carl Anderson came in to review the meeting of October 7
3. Quad Cities Municipal Report: (*featured stories*)
 - o Senior Center Update
 - o Gray Ghost Run
4. Anti-Crime Breakfast
 - o Dan Moren, Assistant Special Agent in Charge was the speaker
5. Sheriff Office Swearing-In Ceremony
 - o Two new deputies were sworn-in and one deputy was promoted to commander
6. Rum River Float
 - o Todd Haas, chair Lower Rum River Management Organization narrates our trip down the Rum River
7. Quad Cities Municipal Report: (*featured stories*)
 - o Orange Tie Ball
 - o Anti-Crime Breakfast

What we are working on

Halloween recap	Christmas Tree Lighting
Medallion Hunt feature	Senior Center- Thanksgiving
Advance Anoka	Parking Area Designations

Champlin

During the month of October we had 14 new programs, with a total of 3 hours and 38 minutes.

Meetings:

Park and Recreation (No)	Economic Development Authority (10/15)
Environmental Resource Commission (No)	Cable Commission (10/17)
Anoka Champlin Fire Board Meeting (10/09)	Planning Commission (10/21)
City Council (10/15)	City Council (10/29)

New Programming

1. Parks Tour
 - A review of recent park improvements and discussions on potential improvements for the future
2. Green Leaf
 - A recap on the efforts to reduce the leaves that end up in the local waterways
3. City Planner Update
 - City Planner, Scott Schulte reviews new development in the city
4. Green Leaf: Recycle
 - A Recycle Bank Video contributed by the ERC
5. Quad Cities Municipal Report: *(featured stories)*
 - Fall Leaf Clean up
 - Parks Renovation
6. Code Enforcement Update
 - Diana Jones reviews the most frequent codes that are broken
7. Turkey Bingo Promo
 - Alicia Jahnke talks about the annual family event
8. Quad Cities Municipal Report: *(featured stories)*
 - Turkey Bingo Promo
 - Planning Update with Scott Schulte

What we are working on

Texting P.S.A.	Andrews Park Update
Crime Prevention Fund	Ice Forum Update
Engineer Update	Update on the Bonding Committee visit

Ramsey

During the month of October we had 14 new programs, with a total of 10 hours and 43 minutes.

Meetings:

Planning Commission (10/03)	Park and Recreation Meeting (10/10)
City Council Meeting (10/08)	Cable Commission (10/17)
Housing and Redevelopment Authority (10/08)	City Council Meeting (10/22)

New Programming

1. Planning Update
 - o Review of September Planning events
2. Sheriff Show
 - o Sheriff Open House
 - o Canine Training
 - o Holiday Crime Prevention
 - o Firearms Training
3. Recycling Event Recap
 - o A review of many items that were collected at the bi-annual event
4. Your Council Your Community: October 08
 - o Council members John Le Tourneau and Randy Backous review recent activities in Ramsey
5. Quad Cities Municipal Report: *(featured stories)*
 - o Taste of Community Promo
 - o Ramsey Rail Station
6. Your Council Your Community: October 22
 - o Council members Chris Riley and Jill Johns reviewed recent activities in Ramsey
7. Sheriff Office Swearing-In Ceremony
8. Quad Cities Municipal Report: *(featured stories)*
 - o Stake Your Curb
 - o EDA Breakfast Promo

What we are working on:

Update with Patrick Brama	Taste of Community Recap
Texting and Driving P.S.A.	Snow plow ride-along
October/November Planning Update	Recycling with Chris Anderson

TO: Board of Directors
FROM: Bruce Chaffee, Sports Director
DATE: November 6, 2013

QCTV is passing through some of our busiest times of the entire year. From the middle of October through the second week in November, QCTV covered numerous events with mobile production van. I've included my October and November sports' calendars for your review.

Programming Totals (October):

- 2 - Girls Soccer Games
- 4 - Boys Soccer Games
- 6 - Volleyball Games
- 4 - Football Games
- 2 - Mini-Bowl Football

Totals Hours of New Programming (October):

30.75 hours of new programming.

This fall sports season has really been a successful year for our youth. First, the Andover boys' soccer team qualified for state tournament play. I believe this was only their second time in school history. On October 28, QCTV travelled to the Metrodome to broadcast the semi-final round of State Tournament Soccer. The North St. Paul Polars faced off against our Huskies and unfortunately came out on top 2 -1. That loss ended this year's soccer action for QCTV. Regardless, covering the Andover boys nice run in the playoffs was fun to watch.

In volleyball, the Champlin Park Rebels had a very successful year advancing all the way to the section finals. Unfortunately, they had to beat the #2 Osseo Orioles in order to make the state tournament for the first time in a long time. As expected, they went down in defeat and thus concluding our year in volleyball. Not the conclusion to the volleyball season hoped for, but still a great overall season for the team.

Finally, there is football. Andover was the only team to make a playoff run and boy, have they made a run. On Friday, November 1, in what was the most exciting game of the year the Andover Huskies defeated the Spring Lake Park Panthers 33-32 in overtime to advance to the state quarterfinals in football. The first round of the state tournament

is played at a neutral site facility so the Huskies will travel to Edina on Saturday, November 9 at 1:00 pm, to take on the Chaska Hawks. The winner of that game then advances to the Metrodome for the final two rounds. And as I write this and see the snow on the ground, I sure hope the weather cooperates for the last outdoor game of the season. I'm sure my crew is hoping for that too.

Looking ahead, the hockey season seems to start earlier and earlier each year. This year our opening game is on Thursday, November 7: Wayzata vs. Anoka girls' hockey. That's tomorrow! Wow, time flies. That's two days before the Andover football game. As you can see from the calendar, the season just flows from one to the next without any break. Other than the Thanksgiving Holiday, we are at full steam throughout November.

Happy Thanksgiving!

MEMORANDUM

TO: Commission Directors
FROM: Terry W. Lovaas, Community Affairs Director / Creative Services Director
DATE: November 21, 2013

Community Affairs

Ongoing programming:

<i>The History Show</i>	Rum River / “Keepers of the County”
<i>The District Court Show</i>	Muslims in the Court System
<i>The Chamber Report</i>	Start of the 61 st Year / Looking Forward / Member Profiles
<i>Suburban Mix</i>	Anoka’s Halloween / Crypticon Convention / The John Martin Band
<i>QC NEWS</i>	2 new episodes
<i>Updates</i>	Updates were produced for Anoka (1), Andover (1).

Programming Totals:

We produced 13 new programs for a total of 11 hours.

October Community Events:

- Rebel Classic (October 5th)
- Chamber of Commerce Annual Meeting (October 9th)
- Big Parade of Little People (October 25th)
- Grand Day Parade (October 26th)
- Ambassador Pageant (October 26th)

Upcoming Events:

While the Amazing Race was recorded on October 19th, there is a considerable amount of editing required to complete this program. It will make its debut in mid-November.

I have created the schedule for our annual recording of holiday concerts at our area high schools.

December 9 th	CPHS	Band Concert
December 10 th	Anoka	Orchestra Concert
December 17 th	Andover	Choir Concert

As you may recall, these concerts become our traditional programming for Christmas Day.

Public Access:

Former employees Greg Harris and Will Wojcik are our newest access users. They are producing a program about their church. Since both people are thoroughly familiar with our studio and editing equipment, I am expecting some higher quality programming from this duo.

Creative Services

Ad Sales:

Simonson's Salon contacted me about running a holiday-themed commercial from mid-November to just before Christmas. I said we would be happy to run their commercial and quoted them their normal rate (\$150). After that, and despite my repeated attempts at contacting them, I never heard anything back. It appears they have changed their mind.

I contacted all three of our current clients (Peterson Shoes / RMS / Fifth Avenue Dental) to see if they are interested in running their commercials in our Winter sports. Unfortunately, they have declined. I am hopeful they will return in the spring.

I have a meeting with Jeff Conner (Courtyards of Andover) to discuss how QCTV might be able to help them improve their bookings.

A former client has returned to do more business with us. Several years ago, we produced a series of videos for the Environmental Resources Council. The Boar Chair, Bruce Bomier, contacted me in early November about using us to produce another series of videos that they will use exclusively on their website. We will be taping these segments on December 4th and I have quoted him an approximate figure of \$5,000.

PSA Day:

All 13 of our local PSAs have been approved and are now running in our local programming. Please see my PSA Day attachment for a complete wrap up and accounting.

Steve Griffiths of Impact Services (formerly Anoka Champlin Meals on Wheels), will give a brief accounting of his experience with QCTV for the making of his PSA.

MEMORANDUM

TO: QCTV Board of Directors
FROM: Scott Flynn, Head Tech
DATE: November 7, 2013

Projects and Events

What's New at the Q is in full swing with an episode being released every Monday. What's New at the Q is a new format show of the Promo Show. The show is produced with a virtual set and highlights new programming on QCTV's channels and website. The show is also uploaded to Youtube and linked to Facebook. We receive 20-60 views on Youtube and 30-125 total reach on Facebook per episode. A blog is also published on blogger from the content of each episode with links and keywords. Blogger is owned by Google and the maintenance of this blog helps with the search engine optimization efforts.

Anoka City Hall recently had an audio upgrade and a complete reinstall of the equipment in the control room. After multiple upgrades and modifications on top of upgrades and modifications, it was overdue for a redo. The audio system has been upgraded to similar automated Biamp systems at the other locations. The upgrades made an immediate and great improvement to the audio, both in the council room and to the TV audience. Below you will see the before and after pictures of the room.



This is a shot looking in the door of what the room looked like before the redo. There was barely enough room to have two people sit in there and servicing the equipment was difficult.



This is now the view entering the room. As you can see now, heaters were behind the equipment originally, which was not the best. Now the equipment sits on the other side of the room. And the view is amazing.



The equipment is now more organized and takes up less space. The racks are in 2 parts with the main part (left 2 racks) able to be serviced from both sides and the audio/presentation rack (right rack) able to pull fully out.



The change now allows the producer a full view of the whole council dais from their seat.

Playback Channel Uptime

Channel uptime was excellent this month at 99.98% to 100% uptime. You will find this information in the channel statistics included in your packet.

City/District Tech Services Report

October has been a good month for tech issues, or should I say, the lack of tech issues with only two noted. Both issues were with the Andover document camera at the very beginning of the month. An A/V router was failing. After some rewiring, the issue was resolved.

Steve Ulrich, QCTV's assistant tech, continues to provide an excellent service in pre-meeting equipment checks. In most cases, issues are discovered and resolved prior to the meeting .

Tech Department Work Stats

Attached to the end of this report is the Tech Department Work Stats for October 2013. This month, the tech department had 34% for community, 22% for government related support, 2% for sports and 42% for organization wide support. By category, the majority of work was tech related at 39% followed by playback related at 20%.

Web Statistics

The qctv.org website had 283,908 total hits for pages and videos for the month of October. With our VOD(video on demand), the top three spots for government hits was taken by Anoka with 110 hits for the Waterfowl for Warriors Program, 84 hits for the Andover Rum River Float and 72 for the Ramsey City Council of October 8. QC News hit the top for community programming at 396 hits. Blaine vs Anoka Football 10/16/2013 hit 478 vod views and 360 live views.

Complete VOD statistics are attached to your packet.

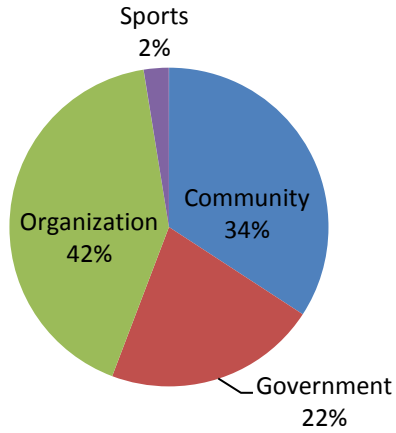
Social Media Promotions

The Tech Department post on Twitter and Facebook to alert the community of new and interesting videos, features, and happenings at QCTV. Currently there are 184 followers on Twitter, up 7 since last month. On Facebook, we earned 6 more, bringing our total followers to 216. YouTube had 2544 minutes of view time and 893 total views.

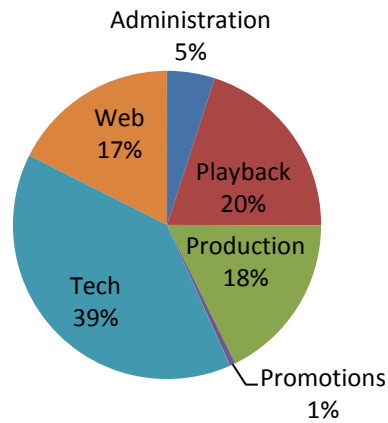
Tech Department Work Stats

October 2013

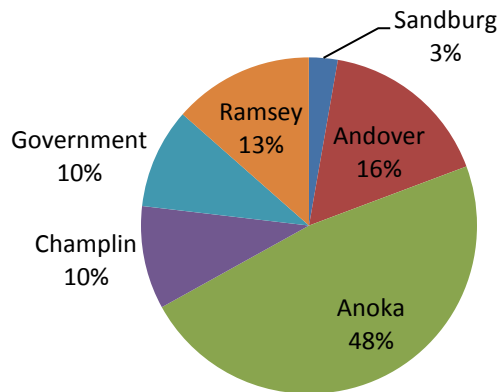
By Department



By Category



Government Breakdown



MEMORANDUM

To: Board of Directors
From: Tim Rick, Media Producer
Date: November 6, 2013

The bulk of this report will be on the QCTV graphics I've recently finished, am working on and will soon be starting. There are currently 5 items on my work flow list.

- 1) New 15 second Anoka Open
- 2) New Studio Sets
- 3) Winter Sports Highlight Videos
- 4) New Quad Cities Municipal Report Open
- 5) New Seasonal City Opens

I'm in the process of editing the shortened Anoka open. Right now I'm gathering 3 video clips that represent present day Anoka combined with photographs of past Anoka. Chris Carpenter will be helping me gather the clips. I've continued looking into new studio sets using pop up displays, and just yesterday I received pricing on a half dozen options from Fastsigns of Blaine. The time line is to have these in place by the end of the year. Once a particular display is chosen the design process begins.

Number three on that list is Winter Sports Highlight Videos. I will be contacting coach's from the three schools we cover (Andover, Anoka and Champlin Park) in the three sports we cover boy's hockey, girl's hockey, boy's basketball and girl's basketball. Last year we produced the Andover Girl's Basketball Video; however, in the past we've also done the Champlin Park Boy's Basketball and Andover Boy's Basketball Videos as well.

Here is a list of some projects I've completed since my last report:

- 1) Shot and edited Big Parade of the Little People
- 2) Ran van graphics for Anoka's Grand Day Parade
- 3) Made graphics for The Anoka Ambassador's Pageant
- 4) Made an animated open and lower third for Anoka's Amazing Race package
- 5) Made banners for our website and Facebook page promoting our coverage of high school football playoff games
- 6) Adjusted winter sports graphics in the production van

I've continued my duties as the Studio Manager. This includes setting up the studio prior to shoots and helping out when needed.

Tim Rick
QCTV Media Producer

Broadcasters to Court: Aereo Will Wreck Us

OVER-THE-TOP MODEL SEEN AS RETRANS THREAT

By: John Eggerton Oct 21 2013 - 12:00am

OVER-THE-TOP MODEL SEEN AS RETRANS THREAT

WASHINGTON — Broadcasters have told the Supreme Court of their worries that cable operators and other pay TV providers will take a page from over-the-top provider Aereo and bypass retransmission-consent payments unless the high court steps in.

The Big Four broadcast networks and the Public Broadcasting System have asked the court to rule on whether Aereo's transmission of broadcast-TV station signals over the Internet is considered a public performance subject to copyright payments, or simply — as Aereo asserts — remote, private access to the free over-the-air signals to which viewers are already entitled.

The answer to that question is critical to over-the-air TV's future, the broadcasters have argued.

In making their case for why the court should review the 2nd U.S. Circuit Court of Appeals' denial of an injunction, the broadcasters offered up their arguments as to why the lack of a review would cause them major harm, one of the tests for granting a preliminary injunction.

“Certain cable and satellite companies have responded by threatening to use the decision as a road map for re-engineering their own delivery systems so they, too, can retransmit broadcast signals without obtaining the

broadcasters' permission," the broadcasters told the court, naming some names.

Aereo's legal justification for its service is that it delivers TV signals via an array of tiny antennas, each of which is dedicated to an individual subscriber, so it isn't subject to the same retransmission laws as pay TV operators. Also, the service's DVR feature allocates dedicated storage to each user so as not run afoul of copyright laws, following the legal precedent from the 2nd Circuit's 2008 decision upholding the Cablevision Systems network DVR product.

Broadcasters pointed out that during this fall's retransmission-consent impasse between CBS and Time Warner Cable that TWC "threatened to develop its own Aereo-like system to avoid compensating copyright owners and broadcasters for the use of their programming." They also noted that TWC also encouraged customers blacked out during the impasse to sign up for Aereo to receive the stations.

CABLE SHIFT THREATENED

Broadcasters also issued something of a subtle threat, pointing out that some in their ranks might move their content from free over the air to pay cable if the courts allowed the Aereo model to stand.

The Walt Disney Co., for example, signaled well over a decade ago that it could always move its content to a cable model, though that involved the issue of network compensation.

In April, Twenty-First Century Fox president and chief operating officer Chase Carey, speaking directly of Aereo, threatened to scrap the free-TV model and move to cable.

Carey said he valued the affiliate model, but that unless the legal system compelled Aereo and similar services to pay for their signal, “A [different] business solution is the path we’ll pursue if we don’t get our rights protected any other way.”

SOME COVER FOR STATIONS

Broadcasters have some cover in Washington for that move. In the past, lawmakers would have criticized station owners for abandoning the over-the-air audience they had secured free government licenses to serve.

The FCC is encouraging broadcasters to give up spectrum in the major markets populated by network-owned stations and affiliates, and has even suggested cable-only carriage as one option for those who wanted to stay in the video business, just without the spectrum.

It is unclear if broadcasters will succeed in catching the Supreme Court’s ear, given that the lower courts have not yet ruled on the underlying case — the petition is based on the rejection of a preliminary injunction.

But in a separate case involving similar TV-station streaming service FilmOn, the 9th Circuit is considering an appeal of a lower court decision granting an injunction. If the injunction is not overturned by the 9th Circuit, there will be a split in the federal appeals court — one of the reasons why the High Court might step into a case.

Broadcasters’ plea to the Supreme Court included a request that it act with dispatch. “The exceptional importance of the question presented warrants this Court’s resolution now,” they argued.

The court moves at its own pace, though, and probably won't hear the case until the Spring, so there is unlikely to be any resolution of the legal question about Aereo et al's legal status until the end of 2014 at the earliest — just about the time broadcasters must decide whether to give up their spectrum to the Federal Communications Commission.

TAKEAWAY

Sensing a retransmission consent threat, TV stations are urging the Supreme Court to rule on over-the-top broadcast-signal provider Aereo.

Multi Channel News October 21, 2013

Comcast Video Service Lights Up Universities

BOSTON'S EMERSON COLLEGE IS FIRST STOP

By: JEFF BAUMGARTNER Nov 11 2013 - 12:00am

BOSTON'S EMERSON COLLEGE IS FIRST STOP

PHILADELPHIA — Comcast launched an IP video service tailored for college students that doesn't require set-top boxes or costly truck rolls, Marcien Jenckes, the executive vice president of consumer services at Comcast Cable, said last Thursday (Nov. 7).

Jenckes, the keynote speaker here at the "Impressions Everywhere" event put on by Comcast Spotlight at the Comcast Center, said the operator introduced the trial service a couple of weeks ago at Emerson College in Boston. The topic came up when he was asked a question about the MSO's IP-capable X1 platform. Jenckes said the campus-based service runs on the company's X1 platform and is being delivered to laptop Web browsers connected to the campus network.

"There's no set-top box; there's no truck roll," he said. "It's the X1 platform that's delivering this experience."

Jenckes noted that students will eventually have the ability to subscribe to premium services such as HBO with a credit card.

COMING SOON: APPS

Comcast has nailed up details of its emerging "Xfinity on Campus" IP video service at www.xfinityoncampus.com. The

service, which uses adaptive bit-rate streaming, supports live TV and video-on-demand on laptops and desktop computers “anywhere on campus,” with plans to extend the reach to tablets and smartphones “soon,” according to the site. Comcast allows students to register up to three devices, but they can only stream video to one device at a time.

The campus-based IP video service is authenticated with access limited to the on-campus IP network. Students are required to log in with their credentials and click on a “Start Watching” button to launch the Xfinity on Campus player. Comcast, the site notes, is also developing an “Xfinity on Campus App” that will simplify the login process. Premium services, including Streampix, will eventually become part of the service.

The website does not provide a detailed channel lineup, but it apparently closely mirrors Comcast’s regular residential TV lineup. “Xfinity on Campus IP-Video channel numbers match the Comcast channel lineup in your location,” the site explains.

“What we launched at Emerson is an example of how we can take this X1 platform and serve individuals instead of serving homes,” Jenckes said, noting that it’s an example of how Comcast is transforming “from a construction company to a software company.”

That transformation can be seen in Xfinity TV Go, a new authenticated app for Android and iOS devices that currently offers up to 35 live TV channels outside the home. Comcast also offers a smaller batch of linear channels on its TV Everywhere Web portal. Some of that work ties back to VIPER, a largely “homegrown” cloud-based, IP video

infrastructure that Comcast has built to deliver a mix of on-demand video, live TV streams and other digital media to connected devices.

But Comcast is far from alone in developing services that cater to on-the-go college students, who are more apt to consume video on tablets, PCs and smartphones than they are on televisions. Philo, a Boston-based startup that counts HBO and Mark Cuban among its backers, has also launched an IP video platform coupled with a cloud DVR service that runs on browsers, Roku boxes and the Apple TV (using AirPlay Mirroring). The company, formerly known as Tivli, has already signed on several schools, including Yale University, Fort Hays State University, University of Washington, Harvard University, Wesleyan University, Pepperdine University and William Patterson University of New Jersey.

Jenckes was also asked about Comcast's plans to license X1 to other cable operators. Jenckes said: "There are lots of initiatives we are pursuing to try to raise all boats. And to the degree that we can make the investments we've made to help other operators...we are thrilled to do that. We're in active dialogue around it and we're in active dialogue around a hundred different things."

Jenckes said X1's initial foray into IP-connected apps like Pandora is just the start, noting that Comcast will "soon" integrate its home security and automation product with the platform

Multi Channel News – November 11, 2013

Cruz Plans to Meet With Wheeler

COULD PAVE WAY FOR SENATE VOTE ON FCC NOMINEES

By: JOHN EGGERTON Oct 28 2013 - 12:00am

COULD PAVE WAY FOR SENATE VOTE ON FCC NOMINEES

WASHINGTON — The long confirmation process for former National Cable & Telecommunications Association president Tom Wheeler as the next chair of the Federal Communications Commission may be coming to a close.

Multichannel News confirmed last week that Sen. Ted Cruz (R-Texas) was in the process of setting up a face-to-face meeting with Wheeler; one FCC source said Oct. 29 was the most likely date.

If the senator likes what he hears at the meeting, the FCC could finally get a new chairman and Republican member.

Cruz put a hold on Wheeler's nomination over the issue of political ad disclosures. Cruz does not want the FCC to use its authority to boost disclosures of the funders of political ads, something Democrats sought after their failure to do so via the DISCLOSE Act.

Wheeler has at least twice responded to Cruz's concerns, but the senator said his answers were insufficient both times — at Wheeler's nomination hearing and in a follow-up written answer.

Cruz's communications director, Sean Rushton, said last week that Wheeler had expressed a readiness to "revisit the senator's questions," and that Cruz "hoped to communicate with him soon."

But don't look for Wheeler to commit to forgo boosting disclosures, over which the FCC clearly has authority. One FCC source theorized that, like the government shutdown threat, the White House would not want to set a precedent of using holds to extract conditions from nominees.

A single senator can hold up a nomination indefinitely and for any, or no, reason.

The FCC has been at three commissioners — down from five — since May with the departures of FCC chairman Julius Genachowski and Republican commissioner Robert McDowell.

The nomination of McDowell's replacement, Michael O'Rielly, is also in limbo since the Democrats will not vote to confirm him until the hold on Wheeler is lifted and both can get full Senate votes. Both have been voted out of the Senate Commerce Committee, O'Rielly by unanimous consent and Wheeler with only one no vote — by Cruz.

Multi Channel News – October 28, 2013

End of a Run for Cable?

SECTOR STOCKS NEAR A PLATEAU, ANALYST SAYS

By: MIKE FARRELL Nov 04 2013 - 12:00am

NEW YORK — Cable stocks' unprecedented run over the past two years could be nearing a plateau, MoffettNathanson Research partner and senior analyst Craig Moffett said at the *Multichannel News/B&C* NYC Television Week event last week.

Cable stocks have been on a hot streak for the past several years. Moffett cited research that showed cable has been the second best-performing sector in the world over the past 10 years (U.K. mining stocks were No. 1). But the runway may be coming to an end.

"For years I was known as the cable bull," Moffett said. "I loved the cable story for a decade. I'm less bullish now."

Moffett pointed to several factors, including the threat of regulation, high programming costs and the increasing inability for consumers to pay for television.

While consolidation speculation has been a major catalyst for the stocks' rise this year, Moffett noted, he isn't convinced that getting bigger will solve all of a distributor's problems.

Moffett added that while horizontal transactions offer real synergies, "they are not as big as what people are projecting." That, he said, could lead to inflated prices for both acquirees and acquirers, which, in turn, could affect deals actually getting done.

"The expectations for some of these deals have made it harder to get these deals done," Moffett said.

The analyst also made a case for cable operators to solve the programming-cost conundrum by getting out of the programming game altogether, providing a dumb pipe where shows could be distributed via a direct financial relationship between content provider and viewer.

"Imagine a world where content was purchased directly by the consumer," Moffett said. "Cable operators would be delighted to say, 'I don't want to be in the position to negotiate with ESPN; I'd rather the customer had to negotiate with ESPN. The business that I'm in is not buying and selling content; the business that I'm in is delivering content. As long as I can

charge for transport, I'm much better off not being in that position where I have to negotiate with ESPN every day.' The best thing for the cable TV business is to kill the TV business."

But Moffett said that model depends on cable's ability to keep transport costs relatively stable. And that could mean moving to a usage-based broadband environment, which he doubts will come to fruition.

Moffett added that, in the past, he believed the cable business would eventually transition to a usage-based model for broadband, but he believes the window for doing that may have closed.

"I'm not entirely sure the window is open," Moffett said. "If they started charging for transport now, Netflix would immediately argue [they] are disadvantaging [its] business."

Speaking of Netflix, Moffett said he sees a day coming when the over-the-top provider becomes a takeover target, most likely by online retailer Amazon, which has made its own forays into over-the-top video with Amazon Prime.

"They [Amazon] are the right ones to watch," Moffett said.

“Somebody will come along and buy Netflix, and if I had to guess who’s the most likely buyer, to me it’s probably Amazon. You at least have to pay attention to Amazon because they have tons of money, a very, very long-term time horizon and, therefore, they can be really disruptive.”

Multi Channel News – November 4, 2013

FCC Gives Cable Time On Rules for TV for Blind

Compliant Devices Must Be Available On Request

By: John Eggerton Nov 04 2013 - 12:00am

WASHINGTON — The Federal Communications Commission has decided not to require cable operators to add new information to their on-screen program guides as part of a congressional accessibility mandate.

The commission last week voted on the last major implementation of rules for the 2010 Twenty-First Century Communications Video Accessibility Act, a mouthful of a title and among its more complicated orders in recent memory, according to someone who helped formulate them.

The rules deal with the accessibility of on-screen TV-programming guides for the blind and visually impaired. They do not require that all cable set-top boxes be compliant, only that compliant devices be made available upon request.

Cable operators will have three years from the Office of Management and Budget's sign-off of the implementation order to comply, but midsized and smaller operators can ask for up to five years.

Cable-supplied boxes and software must be compliant, but cable operators won't be responsible for third-party boxes or any third-party software a consumer decides to download. Those provisions are all victories for the National Cable & Telecommunications Association, which opposed such mandates and wanted the FCC to clarify the "on request" part of the mandates.

The NCTA had argued that the act did not give the FCC the authority to mandate any new information, as public, educational and government channel operators had asked for.

Essentially, the FCC decided not to mandate any additional guide information, only require that whatever was in the guides be accessible, though it will seek more information on guide content.

While larger cable operators will have three years to comply, the FCC will allow systems with 400,000 or fewer subscribers that aren't owned by one of the two largest operators up to

five years to comply — they must request an extension — and systems of 20,000 or fewer subscribers, no matter who owns them.

While the statute would have allowed the FCC to exempt those smallest of the small systems, the agency did not choose to do so.

The FCC also issued a proposed notice of further rulemaking teeing up some questions, like whether or not it should put requirements on what information should be in the guide. Some disability groups weighed in on the side of PEG operators, so the FCC decided to seek more info on the question.

Multi Channel News – November 4, 2013

Federal Government Shutdown Freezes FCC Action

By: JOHN EGGERTON Oct 07 2013 - 12:00am

WASHINGTON — The federal government shutdown is taking a toll on the Federal Communications Commission, and the folks who rely on it.

For example, cable-operator attempts to block Sinclair Broadcasting's purchase of Allbritton Communications-owned stations, including WJLA-TV in Washington, have run into issues related to Congress' failure to pass a temporary spending bill last Tuesday (Oct. 1).

The American Cable Association, the trade group representing smaller, independent cable operators, and a handful of other petitioners were facing an Oct. 4 deadline for replying to Sinclair's opposition to the FCC petition. With the agency and its website shut down, though, no one is available to file that reply with at the moment.

The ACA does not want the FCC to approve the sale and spinoff of Allbritton stations. It said those spinoff stations, for which Allbritton would continue to provide services through sharing agreements, are spinoff s in name only, and that Sinclair will continue to control the station, skirting FCC local-ownership rules.

Sinclair has said the ACA's petition is without merit; that a second petition by public-interest law firm Free Press should be dismissed because the deal is fully within the rules; that a third petition by civil-rights group the Rainbow PUSH Coalition

is a stale rehash of unrelated issues; and that yet another petition is based on irrelevant mischaracterizations.

Because of the government shutdown, the FCC will be delayed in reviewing, and presumably acting on, ACA's or the other petitions.

According to ACA calculations, the petitions will now be due three days after the government reopens, an attorney for the trade group said. Free Press wasn't sure when it would be filing, but said it would have been ready Oct. 4.

Parties waiting to install a full complement of FCC commissioners to deal with the agency's full plate of issues — incentive auctions and spectrum reclamation top that list — may have to wait a bit longer.

Last week's planned vote on Republican FCC nominee Michael O'Rielly was postponed with no new date given, thanks to the shutdown and its impact on the Senate Commerce Committee's schedule. The chairman-designate, Democrat Tom Wheeler, won't get a vote in the full House until O'Rielly can be approved and they are paired for a full Senate vote.

A House Communications Subcommittee hearing on FCC moves to free up more 5 GHz spectrum also had to be rescheduled for last week. The subcommittee had been planning to examine the "challenges and opportunities" in the 5 GHz band, where cable operators have been pushing for more unlicensed WI-Fi spectrum and the FCC has taken steps to accommodate it and other unlicensed users.

Multi Channel News October 7, 2013

Future Will Be Mobile And Spectrum-Hungry

By: John Eggerton Oct 21 2013 - 12:00am

WASHINGTON — Companies pushing the Federal Communications Commission to free broadcast-TV spectrum from broadcasters have circulated a new graphic to illustrate their point about the “rising tide” of Internet-connected devices that need to ride all those waves of electromagnetic spectrum.

The new infographic (pictured) emphasizes the following data: there are 10 billion connected devices; mobile data from those devices more than doubled global Internet traffic in 2012; revenue from global devices could reach \$1.2 trillion; and “virtually everything we make will be able to connect to the Internet.”

“It’s critical that we prepare for the significant data growth on the horizon and maintain policies that spur continued competition, investment and innovation,” Mobile Future chairman Jonathan Spalter said.

Among the coalition’s members are AT&T, Verizon Communications and Qualcomm.

Multi Channel News October 21, 2013

NCTA: Apps Not Part of Video Accessibility Act

By: JOHN EGGERTON Oct 07 2013 - 12:00am

WASHINGTON — Cable operators are trying to persuade the Federal Communications Commission not to apply accessibility requirements to TV Everywhere apps as it runs up against its deadline for implementing the Communications Video Accessibility Act.

Two weeks ago, National Cable & Telecommunications Association officials met with FCC staffers to argue that the act's requirements under Section 205, which requires that navigation devices and digital interfaces be accessible to the blind or visually impaired, are for devices and should not be extrapolated beyond that.

The NCTA has made the point before, but with the congressional deadline for deciding on how to implement the provision, it pressed the point.

“We explained that cable-operator supplied on-screen text menus and guides provided by “navigation devices” are subject to Section 205 of the CVAA,” the NCTA said. “We also explained that cable operator-developed software or ‘apps’ are not equipment, apparatus or ‘navigation devices’ subject to the rules,” according to an ex parte filing with the FCC.

At press time, it was unclear how the government shutdown would affect the timing of the FCC's decision, but the statutory deadline is Oct. 9, according to an agency spokesperson — not that the commission hasn't missed one or two such

deadlines, as anyone still waiting for its quadrennial review of media ownership rules, due in 2010, can attest.

Multi Channel News October 7, 2013

New Comcast App Streams 35 Channels Via Mobile Devices

By: JEFF BAUMGARTNER Nov 04 2013 - 12:00am

Aiming to keep up with AT&T and other pay TV competitors, Comcast is preparing to launch a “major” update to its Xfinity TV Player app for iOS and Android devices that will enable authenticated customers to stream 35 live-TV channels outside the home.

The updated app, to be rebranded as “Xfinity TV Go” (the current app is called the Xfinity Player), will also allow customers to stream more than 25,000 on-demand titles and download “thousands” of movies and TV shows to mobile devices that can be viewed offline. Comcast didn’t set a specific launch date for the upgrade, but last week said it will be available “in the coming days.”

Out-of-home streaming, limited to Wi-Fi, will kick off with a news- and sports-heavy lineup that includes: BBC World News, beIN SPORT, beIN SPORT Español, Big Ten Network,

CNBC, CNN, Disney Channel, Disney Junior, Disney XD, ESPN, ESPN2, ESPN3, ESPN Deportes, ESPNEWS, ESPNU, Fox Business Channel, Fox News Channel, Fox Sports 1, FX, FXX, Golf Channel, HLN, MSNBC, National Geographic Channel, Nat Geo WILD, NBC Sports Network and Pac-12 Networks. Comcast said it will add more to that list later.

Comcast has been offering access to a select lineup of authenticated live TV streams via Web browsers at Xfinity.com/TV since 2012. The operator's new app and live TV components are partially born out of VIPER, the MSO's largely "home grown" cloud-based, IP video pipeline.

The operator has been offering in-home streaming of its full TV lineup using AnyPlay, a video-transcoding device with a CableCard developed in tandem with Motorola/Arris. Comcast, however, has been de-emphasizing that product as it looks to build that functionality inside new video-gateway products.

Comcast's coming out-of-home streaming package will help it keep pace with pay TV rivals such as AT&T U-verse TV, which recently announced the addition of 100 live TV channels to its TV Everywhere offering, including 20 that can be accessed out of the home. Dish Network, meanwhile,

offers out-of-home access to its entire lineup with its current top-shelf product, the Hopper With Sling HD-DVR.

Multi Channel News – November 4, 2013

Proposed Bill Would Stir CableCard Debate Anew

NCTA, CE PLAYERS EXPECTED TO SQUARE OFF
By: JEFF BAUMGARTNER Oct 07 2013 - 12:00am
NCTA, CE PLAYERS EXPECTED TO SQUARE OFF

A proposed bipartisan bill that would scuttle the ban on operator-supplied set-tops with integrated security will produce a new, heated round of debate among the cable industry, TiVo and others in the consumer-electronics sector.

TiVo continues to rely on the CableCard security module to deliver cable TV services to its DVRs, including its new line of “Roamio” products, and fears the ban will cause costs to rise, usher in features that will be offered only on operator-leased boxes and stall the entry of a CableCard successor that would be applied to all pay TV operators.

TiVo is “not wedded to the CableCard,” Matt Zinn, senior vice president and general counsel, secretary and chief privacy officer at TiVo, said in a recent interview when the proposed bill was still circulating. “We all want to move on from CableCard. If you eliminate the security ban and leave nothing in its place as a successor solution, I don’t believe that there will ever be a successor, and retail solutions will be put at a disadvantage in terms of features and functionality and cost.”

SWITCHED AROUND

By way of example, Zinn said cable’s use of switched digital video originally prevented TiVo DVRs with CableCards from accessing channels in switched tiers, while leased boxes

could. That put TiVo at a disadvantage until the debut of a Tuning Adapter that had to be paired with the TiVo box.

“If the cable industry is using a different security system than retail, I see that same exact thing happening again,” Zinn said.

The cable industry, meanwhile, stresses that the ban would only relieve operators from putting CableCards in leased boxes. Further, the massive base of CableCard devices — standing at more than 42 million strong since the security ban took effect in July 2007 — preserves the cable industry and CE’s common reliance on the devices for the foreseeable future.

“We will still supply [CableCards] to retail devices like TiVo,” Neal Goldberg, general counsel for the National Cable & Telecommunications Association, said in an interview ahead of the bill’s introduction. “The bottom line is that those are our customers, too, and we’re not going to shut them off .”

The assurance that the CableCard will live on “is sort of flipped,” Goldberg added, noting that MSOs already support tens of millions of leased CableCard boxes versus about 600,000 modules for retail devices. “CableCards are an additional cost to the cable customer because some of that additional cost has to be passed through. Separable security would live on for retail.”

‘INNOVATION IS IN THE BOX’

Goldberg also countered TiVo’s contention that cable will use the ban to innovate around the CableCard and put CE players at a disadvantage. “The innovation ... is in the box, not the descrambling,” he said.

The cable industry has also argued against the need for new security rules for all pay TV distributors. TiVo, along with the Consumer Electronics Association, Google, and other parties have lobbied for “AllVid,” a proposed all-distributor successor. The Federal Communications Commission has sought comments on AllVid, but so far has not pursued a formal rulemaking effort.

But that doesn’t mean AllVid, or something like it, won’t come into play down the road. Although the proposed bill would end the security ban, the FCC would maintain its ability to regulate set-top boxes in the future.

TAKEAWAY

Consumer-electronics firms such as TiVo are ready to battle a proposed bill that would end the ban on MSO-supplied set-tops with built-in security.

Multi Channel News October 7, 2013

Strength In Numbers

Broadcasters Are Consolidating Power To Extract Bigger Retrans Fees From Cable Operators

By: Mike Farrell Nov 11 2013 - 12:00am

Broadcasters Are Consolidating Power To Extract Bigger Retrans Fees From Cable Operators



As the cable industry waits for a consolidation wave to help it battle higher programming costs, broadcast station groups have taken matters into their own hands, engineering a flurry of deals over the past two years designed to significantly improve their positions at the retransmission- consent negotiating table.

Broadcast station groups such as Sinclair Broadcast Group, Nexstar Broadcasting Group and Tribune have announced acquisitions that have doubled, or nearly doubled, the number of stations they control. They have increased the number of stations they own in individual markets — creating so-called duopolies — as well as the number they operate through shared-services arrangements — creating “virtual” duopolies. Both give them a decided edge in retransmission-consent negotiations.

Individually, some broadcasters have seen retrans fees rise exponentially in the past five years. At Nexstar, for example, retrans fees increased more than four times, to \$60.9 million

in 2012 from \$14.4 million in 2008. At Gray TV, which has 70 stations in the South and Midwest, retrans revenue rose tenfold in the same timeframe, to \$33.8 million in 2012 from \$3 million in 2008.

Sinclair, no stranger to the retrans wars, has been the most aggressive, spending nearly \$3 billion in the past two years to acquire 107 stations in 42 markets. When the dust clears — its latest deal with Albritton Communications is expected to close by the second quarter of 2014 — Sinclair will control 162 stations in 77 markets across the country. That's up from 58 stations in 35 markets at the end of 2011.

Nexstar, one of the pioneers in extracting cash for retransmission consent, has also been on a buying spree. Over the past two years it has announced deals for 47 stations totaling \$809.5 million.

And the wave isn't stopping there. In June, Gannett Co. announced it would acquire Dallas-based broadcaster Belo Corp. in a \$2.2 billion deal that would create a 43-station "Super Group," and Tribune said it would buy Local TV's 19 broadcast stations for \$2.7 billion, raising its tally to 43 stations.

Even smaller broadcasters are getting in on the act. Last week, Gray TV announced it would buy four stations in Texas, Wyoming and Nebraska from Yellowstone Broadcasting for \$23 million. It was the third station deal Gray has announced this year.

Despite the wave of deals, Noble Financial Group analyst Michael Kupinski said he believes there is still room for more transactions. "I think we are in the seventh inning of the broadcast consolidation game," Kupinski said, adding that

cash-rich station groups like E.W. Scripps have yet to make a big M&A splash and have room to grow.

Even groups like Sinclair, which will inch closer to the Federal Communications Commission cap that limits a single broadcaster to owning stations that reach 39% of U.S. TV households, see room to acquire even more. Although Sinclair will reach 38.7% of U.S. TV households after its deals close, per FCC rules the station group will be at only 24.5%, leaving plenty of run- way for more acquisitions. The FCC only counts half of a UHF station's audience toward the 39% local-ownership cap (versus all of a VHF station's audience).

Station group consolidation has not gone unnoticed in Washington. The FCC has sought public comment on the latest flurry of deals and also recently proposed eliminating the UHF discount, though a final vote has not been taken. If the FCC votes to eliminate the discount, Sinclair's buying days could be over, but other groups would still have plenty of room to get bigger. The commission has also proposed subjecting some sharing arrangements to local-ownership caps, which could put a crimp on the buying sprees.

What is spurring all this investment in stations? While the broadcasters all cite cost synergies, efficiencies and an opportunity to capture a larger portion of local and national advertising revenue — and some could be eyeing a government payout in the spectrum auctions — one of the biggest factors is the potential to gain additional retransmission-consent revenue.

Retransmission-consent revenue for broadcasters has skyrocketed over the past several years, with SNL Kagan estimating it has increased six-fold from \$500 million in 2008

to \$3 billion by the end of 2013. SNL Kagan predicts retrans revenue will double again by 2018, to \$6 billion.

And even that may be a conservative number. With the rise in the number of stations owned by groups like Sinclair and others, SNL Kagan senior analyst Robin Flynn estimated the retrans haul could go even higher.

“This is definitely one of the main driving forces behind the consolidation this year, and the ability to grow the retrans revenue of the acquired stations is definitely something that is impacting the M&A market,” Flynn said.

Flynn added that the case for consolidation isn’t solely in higher retrans fees. Bigger companies also have better cost efficiencies and carry more clout with their network affiliates. On that latter front, Kupinski said, bigger station groups also have the wherewithal to develop their own content.

“I think that over time these station groups are going to have to get bigger and bigger, because I think that they are going to have to start developing their own content,” Kupinski said. He added that as networks continue to receive reverse-compensation fees for all their programming, including more ratings-challenged shows, stations could replace some of that programming with shows that play better in their local markets.

But for cable operators, the growing M&A activity of the stations means only one thing: higher retrans costs.

American Cable Association CEO Matt Polka said small cable operators — the group most acutely affected by the consolidation wave — have seen retrans costs rise exponentially in the past few years. With broadcasters

growing in heft and market power as they strike deals that give them control of multiple stations in the same market, those costs are only expected to climb higher.

“We’ll definitely see some impact in the next round of retransmission-consent [deals],” Polka said “If you control more than one must-have stream of programming, you can charge more for it; it’s as simple as that.”

Polka added that virtual duopolies play a major role in a broadcaster’s ability to raise its retrans prices. According to ACA’s own surveys of its constituents — it represents about 900 small and mid-sized cable operators across the country — retrans-pricing demands from a broadcaster that controls more than one station in a market increase by at least 20% and by as much as 160%.

Polka estimated that about 50 markets across the country are duopoly markets, and the number grows with each passing deal.

FCC regulations prohibit one company from owning more than one television station in a particular market. But in the past, station groups skirted those regulations by setting up separate entities — called “sidecar” companies — that would own the additional stations, or by setting up local marketing arrangements or shared-services agreements with other station owners that would give them control over managing and negotiating deals for those additional stations.

Gannet plans to use that strategy as part of its \$2.2 billion acquisition of Belo. As part of that deal, Gannet will have two stations in several top 100 TV markets, like Phoenix, St. Louis and Tucson, Ariz., but will stay within FCC rules by having a separate entity own the second station in each market. The

ACA — which along with Time Warner Cable and DirecTV has formed the American Television Alliance (ATVA) and petitioned the FCC to block the deal — said these sidecar companies are created only to circumvent the law.

“That, to us, is illegal because it violates current FCC media-ownership rules and it violates federal antitrust rules that prohibit collusive behavior,” Polka said. “They are being absolutely bold in thinking that these mergers are legal.”

For their part, broadcasters have stressed that what they are doing is strictly within the letter of the law and has passed FCC and Department of Justice scrutiny on every front. What’s more, despite some arguments that consolidation adversely impacts news coverage in local markets, Sinclair CEO David Smith said in a statement that consolidation has led to increased staffing and investment in the acquired stations.

“Not only have we created jobs, but we have added 81 hours of local news per week, allowing us to deliver an increasing number of meaningful local news stories to our viewers,” Smith said in a statement. “We have made significant investments to upgrade stations to high-definition newscasts so that our consumers can have a high-quality news experience.”

Broadcasters have made no bones about virtual duopolies being an important factor in selecting deals.

In releasing Nexstar’s third-quarter results Nov. 5, company chairman and CEO Perry Sook boasted that after its deals are complete, it will control multiple stations in 33 of its 51 markets, “consistent with our M&A criteria that emphasizes the development of duopolies.”

A day later, Nexstar announced a deal to purchase seven stations in four markets from Grant Co. for \$87.5 million, boosting its number of duopoly markets to 36.

Mediacom Communications group vice president of legal and public affairs Tom Larsen added that much of the retransmission-consent impact from broadcast consolidation hasn't been felt yet because deals haven't come due. When they do, it can be expected that prices will rise accordingly.

"It all means higher prices for consumers," Larsen said.

In some areas, it is already happening.

Nexstar, for example, increased retransmission-consent revenue by 69% in the third quarter and noted that it has about 27 retrans deals that expire before the end of the year. On a conference call with analysts to discuss third-quarter results, Sook said negotiations for those deals are ongoing and, aside from the initial pushback regarding price, are moving forward.

"We believe that content always wins in these discussions," Sook said on the call, adding that Nexstar provides 1,300 hours per week of local content and another 100 hours per week of local lifestyle programming. "I believe that the local content holders and the national content holders ultimately have the upper hand on the distribution partners," Sook said.

So what is an operator to do? ATVA member ACA is pushing the FCC to declare virtual duopolies and coordinated retrans negotiations out of bounds. New FCC chair Tom Wheeler has promised Congress to look into the retrans blackout issue, and thanks to ATVA efforts an FCC docket on retrans reforms is open. But Wheeler's priority is incentive auctions and

broadband deployment, and congressional Republicans have pushed back on the virtual-duopoly front, so near-term action beyond the UHF discount vote is unlikely.

Most operators, especially the small ones, may have to buck up and swallow the increases. The aftermath of Time Warner Cable's recent month-long blackout of CBS — which resulted in the MSO losing more than 300,000 subscribers in the third quarter — has given broadcasters a solid advantage, at least in the near term. In the long term, distributors are hoping that regulatory reform will help. Although there seems to be some light at the end of that tunnel — Polka pointed to FCC and DOJ requests for additional information on several proposed mergers — few are holding their breath for any near-term change.

Some Congressional leaders have also made proposals for reform. Rep. Anna Eshoo (D-Calif.) introduced legislation that would allow the FCC to grant interim carriage during a retrans impasse, and Sen. John McCain (R-Ariz.) has proposed a la carte legislation. Most believe, however, that any substantial changes on the regulatory front are at least a year away.

“We have to just keep going back to Washington,” Larsen said. “It’s a long, slow crawl to get policy change.”

And then there is the case of simple inertia swinging the pendulum back in favor of distribution. With retrans fees in the range of \$1 to \$1.50 per subscriber, per month, and expected to rise past \$2 in the next few years, broadcasters may simply price themselves out of the market.

“Retransmission revenues are definitely going to go higher,” Kupinski said, “but I worry about expectations from an investor standpoint primarily because I don’t think they expect

any types of backlash related to that. There is always some risk in pushing retrans to the Nth degree. Those risks are pretty well known from the cable side, the consumer side and maybe even the network side.”

Flynn agreed. “Obviously something has to give at some point,” she said. “It’s not like they can just keep getting more and more fees from small operators without them having to raise rates to the extent where they’re losing a lot of subs.”

John Eggerton also contributed to this story.

Multi Channel News – November 11, 2013

Merger Mania

Station groups have taken consolidation to heart, with a flurry of deals in the past two years and more expected to come.*

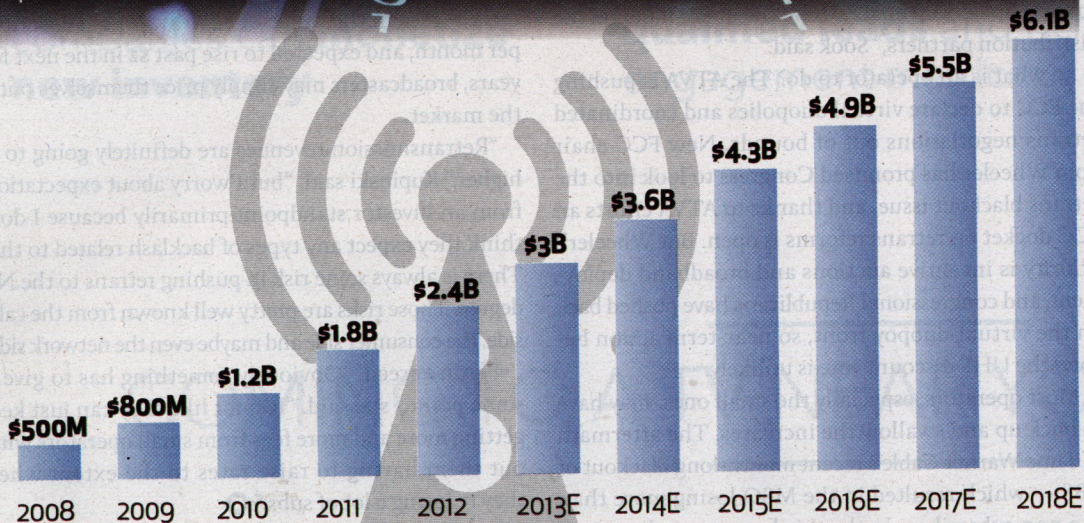
COMPANY	NO. OF DEALS	STATIONS ADDED	\$ VALUE	TIME-FRAME
Sinclair	6	72	\$2.03 billion	2013
Nexstar	6	47	\$809.5 million	2012-13
Gannett	1	20	\$2.02 billion	2013
Tribune	1	19	\$2.7 billion	2013
Media General	1	30	\$715 million	2013

SOURCE: Individual companies.

*All figures are pro forma for pending deals.

Retrans Rising

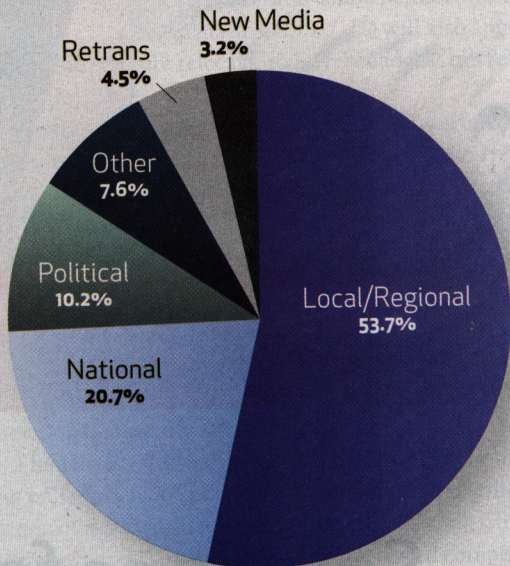
SNL Kagan estimates that retransmission-consent revenue could more than double in the next five years. Here's a look at reported and estimated retrans revenue from 2008 to 2018.



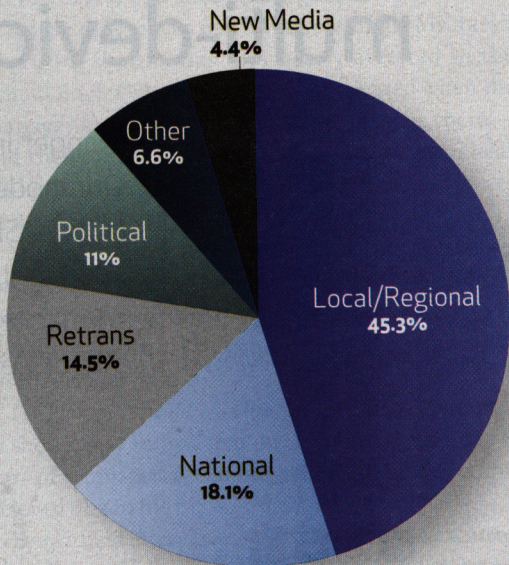
Source: SNL Kagan

Revenue Mix

Retrans revenue is becoming increasingly important to station groups. Here's a look at retrans as a percentage of overall revenue for Nexstar Broadcasting.



2008



2012

Source: Nexstar Broadcasting

Duopolies

The FCC prohibits a single company from having a substantial ownership interest in more than one TV station in a market, but broadcasters can control operations and, more importantly, retrans negotiations for multiple stations in a single DMA through local marketing or shared-services agreements. These artificial duopolies are growing in size and importance across station groups.

COMPANY	NO. OF "DUOPOLY" MARKETS	KEY CITIES
Nexstar	36	Fresno, Calif.; Rochester, N.Y.
Sinclair	49	San Antonio, Texas; Seattle; Columbus, Ohio
LIN TV	18	Providence, R.I.; Albuquerque, N.M.; Topeka, Kan.
Gannet/ Belo	7	Phoenix, St. Louis, Denver, Atlanta
Raycom	5	Baton Rouge, La.; Cleveland; Honolulu

Sen. Markey Tees Up Kids' Online Privacy Bill

TEAMS WITH BARTON ON DO-NOT-TRACK PLAN

By: JOHN EGGERTON Oct 28 2013 - 12:00am

TEAMS WITH BARTON ON DO-NOT-TRACK PLAN

WASHINGTON — Sen. Ed Markey (D-Mass.), a member of the Senate Commerce Committee, will team with Rep. Joe Barton (R-Texas) on new kids do-not-track privacy legislation, which would also apply to teen-agers 15 and under.

Markey has signaled he would turn his attention to more online kids' privacy protections as a senator, as he did as a House member, as soon as the government resolved the immediate threat of a debt-ceiling shutdown.

PRIVACY PAIR RIDES AGAIN

With that impasse now resolved, at least until January, "Senator Markey plans to introduce his bipartisan do-not-track kids legislation with Rep. Joe Barton in the coming weeks," a Markey aide said.

When both were in the House, Markey and Barton were co-chairs of the Congressional Privacy Caucus and teamed on a kids' do-not-track bill that could not gain traction in the Republican-controlled chamber.

Markey has not wasted any time gearing up for his online privacy-protection push. Even before the government was unshuttered, he sent a letter to the Federal Trade Commission on Oct. 12 asking it to investigate Google's Terms of Service

update enabling the company to display user names, photos and other info in online ads unless users explicitly opt out.

Then, two weeks ago, Markey expressed concerns about Facebook's policy change to allow teen-agers 13 to 17 to start sharing their information publicly and to have their posts followed on news feeds as giving them the same choices as other social media sites. Facebook has said teens are among the "savviest" users of social media and the change is simply giving them the same choices as other social media sites.

Facebook also changed its default setting for teens so that they start out with more privacy, sharing only with "friends" rather than "friends of friends," which had been the initial setting for ages 13 to 17.

ERASER BUTTON NEEDED

"While I am pleased that the new initial privacy choice for Facebook's teen users offers more protection than the previous default setting, the addition of an option to share all information publicly raises serious concerns for a vulnerable and impressionable age group that deserves additional safeguards," Markey said. "Now is the time we put children's privacy laws on the books, including an 'eraser button' tool for parents and children so that what kids say online does not come back to haunt them when they apply for college or jobs."

Markey's do-not-track bill could fare better in the Democratic-controlled Senate, particularly given that the chairman of the Senate Commerce Committee, Sen. Jay Rockefeller (D-W.Va.) has been among the most vocal proponents of protecting kids across all media.

Sub-Loss Forecast Better For Comcast Than TWC

CBS Blackout Could Hit No. 2 MSO Hard
By: Mike Farrell Oct 28 2013 - 12:00am
CBS Blackout Could Hit No. 2 MSO Hard



Cable operators are slated to release third-quarter results next week, and analysts expect another strong period from top MSO Comcast as they brace for some possible bad news from the No. 2 operator, Time Warner Cable.

Comcast, which has been riding high on strong results for the past 10 quarters, is expected to turn in another three-month period of improved basic-subscriber losses.

Time Warner Cable, coming off a month-long blackout of CBS owned-and-operated stations in New York, Los Angeles and Dallas, could be headed for heavy subscriber losses.

Morgan Stanley's Ben Swinburne, Credit Suisse's Michael Senno and Pivotal Research Group principal and senior media and communications analyst Jeff Wlodarczak all anticipate another strong quarter for Comcast, with basic-video losses tallying about 100,000 for the period, an improvement over last year's loss of 117,000 video customers in the quarter.

In the second quarter, Comcast surprised analysts with better-than-expected results — it reduced video-customer losses by about 10% and grew cable revenue and cash flow at a better than 6% pace — which helped spur optimism for the coming period.

Comcast is expected to be the first MSO to release results on Oct. 30. “Continued operating strength and solid subscriber and financial metrics should provide an ongoing catalyst” for Comcast on the cable side, Senno wrote.

Strong sentiment is not shared for Time Warner Cable. After a string of quarters with underperforming operating results and the added pressure of the CBS blackout, some analysts are anticipating the worst.

In a research note, Wlodarczak nearly doubled his video subscriber-loss estimates for TWC from 160,000 to 300,000, citing the CBS blackout and a fear TWC will not be able to resign a large chunk of the roughly 1.4 million customers that were scheduled to roll off aggressive promotions in the period.

“Paradoxically, we believe another messy quarterly result, relative to what we believe will be solid Charter and Comcast 3Q results, will likely add fuel to the fire for a Charter bid for the company,” Wlodarczak wrote.

Charter, which in June touched off a frenzy of consolidation talk in the sector after its informal overtures toward Time Warner Cable were rejected, is still believed by most analysts to be geared up for a deal.

In the meantime, some analysts are expecting the third quarter to be another strong quarter for the midmarket MSO.

All three analysts expect Charter to report strong revenue and cash-flow growth in the period (4% to 7%), with Wlodarczak adding that the key will be the MSO's ability to show accelerated cash-flow growth in the period, a sign the company is successfully migrating customer off promotions and into full-service offerings.

Wlodarczak said better-than-expected RGU growth in the period could temporarily impede cash-flow growth. Wlodarczak predicted that third-quarter cash-flow growth would be about 4%, rising to about 6% in the fourth quarter and above that mark moving into the first half of next year.

Charter managed to put a dent in basic-video losses in the second quarter — it lost 48,000 video customers in the period, compared to a loss of 66,000 in the prior year — and most analysts are expecting that trend to continue.

Wlodarczak, Senno and Swinburne said they expect Charter to have shed 30,000 to 50,000 video customers in the period — an improvement over the 73,000 video subscribers lost in the same period in 2012.

While analysts are expecting Charter to begin to realize some of its vast potential, they are predicting that past success will continue to haunt Cablevision Systems.

LOSSES FOR CABLEVISION

Cablevision has struggled in the past several quarters to squeeze growth out of its industry-leading penetration rates.

After losing 5,000 video customers in the first quarter and another 20,000 in the second, the analysts are predicting the same for Cablevision for the third quarter. Wlodarczak

estimated that Cablevision will lose about 10,000 video customers in the period. Swinburne predicted a loss of 22,000 subscribers.

In a recent research note, Swinburne said most of the upside in Cablevision's stock price is on consolidation hopes, which he and other analysts believe is less likely with each passing day.

A lack of top-line revenue growth, double-digit programming costs increases and high leverage (at five times forward-looking cash flow) "leave Cablevision with the least attractive risk/reward in [the] group," Swinburne wrote.

Multi Channel News – October 28, 2013

Trolls Turn To Cable TV

Patent Attacks Expand With Industry's Reliance On Technology

By: Gary Arlen Nov 04 2013 - 12:00am



For the past two years, Cox Communications has spent hundreds of thousands of dollars fending off a lawsuit involving a fingernail-sized microchip that the MSO uses in its data services.

Cox, AT&T and five other distributors have been distracted by this infringement lawsuit, which seeks patent licensing fees based on data usage involving tiny photonic integrated circuits used to deliver Internet service to millions of subscribers over a six-year period.

The suit, from Yorba Linda, Calif.-based Cambrian Science Corp., is part of a new wave of patent litigation aimed at cable

operators and other technology users, rather than equipment vendors, the traditional target of such actions.

In legal parlance, Cambrian is a “non-practicing entity,” or NPE. To cable operators and other big tech firms, NPEs have a more familiar name: patent trolls. In the last five years, the top five cable operators have faced roughly 200 patent-infringement suits costing millions of dollars in legal fees. Overall, media companies may spend up to \$5 billion this year to fend off trolls, also known as “patent-assertion entities,” or PAEs. Congress has also ramped up its role, with omnibus patent troll legislation introduced in the House and Senate during the past two weeks.

Several analysts expect that cable’s increasing reliance on software and its move to cloud delivery will create more targets for troll attacks on operators as technology users.

Another wave of legal assaults against cable operators is brewing, according to communications attorneys who requested anonymity. Rockstar Consortium, an NPE that paid \$4.5 billion in 2011 for the Nortel Networks patent portfolio, has contacted cable operators threatening to sue for patent infringement, legal experts familiar with the situation said. Rockstar, jointly owned by Apple, Microsoft, Blackberry, Ericsson, Sony and EMC Corp., may have better heritage

than other so-called trolls, but its strong-arm approach to cable operators will be just as threatening and costly, attorneys said.

American Cable Association president Matt Polka recalled a recent “patent predator” assault that affected many of his trade group’s small, independent members as well as “larger MSOs.”

“The threat of patent trolls is a huge concern for our members,” Polka said, citing recent litigation in which Acacia Media alleged that cable operators violated “a patented process for delivery of digital signals” that Acacia had acquired. Operators “were threatened with litigation if they didn’t pay up and agree to Acacia’s alleged extortion — ‘license agreement,’ as they called it,” Polka recalled, noting that the case dragged on for nearly three years.

“A number of [operators] did agree to pay, unfortunately, to avoid the litigation costs,” he adds, declining to identify the cable companies. Eventually, “Acacia lost some pending cases and, as a result, lost some steam, but the agreements ... are still good and they are still getting paid.” Polka voiced concern that “other opportunistic patent trolls” could launch similar assaults.

“The threat by these trolls is the cost of litigation and costs of extorted settlements that take away the means for our members to launch more significant digital and broadband services,” Polka said. Such threats are behind ACA’s support of “legislative, regulatory or administrative efforts to limit the ability of patent trolls ... to strong-arm our members.”

The latest acceleration was NPE Custom Technologies’s August patent assault on the broad “on-demand presentation” systems used by cable operators. Custom Technologies challenged Comcast, Cox and Charter Communications, among other multichannel video-programming distributors.

Cambrian Scientific’s pursuit of Cox is typical of a new trend, as NPEs and PAEs go after sources of ongoing revenue — communications carriers, in these cases — rather than one-time payments from vendors to settle technology licenses.

David Long, a patent specialist at Kelley Drye & Warren who represents Cox in this case, noted that the technology encompasses voice, video and data communications services — all of which are troll targets.

“MSOs traditionally were not targets because they generally do not develop technology themselves, they just purchase it from a vendor,” Long said.

Legitimate vendors would normally “leave their MSO customers out of patent suits,” he added. But “non-innovating, non-practicing patent assertion entities” have no qualms about suing technology users.

“Rather than go after equipment vendors in which a licensing fee or damages award would be a one-time payment based on the cost of the equipment,” Long said, PAEs and NPEs “prefer to go after the MSO that purchased the equipment and get some running royalty based on a percentage of the revenue generated from using the equipment.”

KEEPING QUIET

Despite the increasing attacks, many cable-industry officials and organizations are loath to discuss the festering patent-troll situation. They cite factors ranging from confidentiality to concerns that Wall Street may downgrade the cable industry if the patent attacks become more frequent.

The National Cable & Telecommunications Association and CableLabs — two industry groups involved in regulatory and legislative strategies to stem the troll assaults — declined to comment for this report.

One view commonly held by attorneys who asked not to be quoted is that “one man’s ‘troll’ is another person’s hero.” PAEs, NPEs and “Patent Monetization Entities” (PAEs) — another recently coined phrase — claim to be the saviors of small investors and creative innovators who deserve financial rewards for infringement by global corporations.

Whatever the rationale, there is no question that PAE suits against cable firms have required significant, costly attention. Since 2008, MSOs have become enmeshed in hundreds of patent-related lawsuits. According to the Westlaw database of patent proceedings, Comcast has been involved in 48 such cases (five in 2013 so far); Time Warner Cable has faced 31; Charter Communications 34; and Cablevision Systems 16. Cox Communications ranks first, involved in 72 patent cases since 2008.

Overall, media companies last year faced just slightly fewer lawsuits than the highly contentious “mobile communications and devices” sector, according to the *2012 NPE Activity*

Report compiled by RPX, a San Francisco firm specializing in patent research and litigation.

Most of the cases are brought by NPEs and PAEs, which acquire underutilized patents and then seek payments from operating companies that use technology or systems which, they claim, are covered by them.

Although it's impossible to know which patents the trolls are hoarding, the past few years have shown that such outfits will go after any target they can find. Despite a new Federal Trade Commission investigation into PAE activities launched last month, the litigation-minded trolls have plenty of opportunities to continue their attacks and are unlikely to back off since they have almost nothing to lose, according to lawyers involved with cable firms under attack.

Companies and law firms decline to put a precise cost on cable patent litigation and settlements; many such cases are sealed.

Overall, these patent attacks may cost the media industry nearly \$5 billion this year, based on research that puts an \$80 billion annual price tag on patent suits overall and indicates that 6% of the cases involve "media content and distribution"

firms. (The \$5 billion figure is an estimate based on the vastly different sums paid in various sectors to handle the patent cases, but represents a reasonable range, according to knowledgeable observers.)

COST FOR CABLE COMPANIES

Paperwork is a major expense for cable companies defending against NPE. For example, in its suit against Cox and others, Cambrian Science claimed that “getting billing statements was ‘critical’ to their case,” Long said. Compiling such billing information, then redacting customers’ personal data, would have been extraordinarily costly for the defense, Long said.

After extended legal maneuvers in late 2012 and early this year, the U.S. District Court for the Central District of California in Los Angeles ruled that Cox and other providers did not have to produce that billing minutiae, despite Cambrian Science’s insistence that such data was essential for its damages model.

Cambrian was fishing for anything it could get, Long said, using a common NPE tactic: Making the cost of defense so expensive that carriers would find it cheaper to pay Cambrian to go away.

“NPEs don’t have the restraint that practicing entities would have,” Long said. “They want to be able to throw a big dollar figure in front of a jury and say, ‘We just want a small portion.’” Moreover, non-producing companies such as Cambrian Science can request overly burdensome discovery without “having to worry about responding in kind,” he noted.

“They are not looking to enter business relationships with the target company,” Long said. “Their only business goal is to maximize financial return on the patent — take the money and run.

“Litigation is not disruptive to their business because litigation is their business,” he added. “In contrast, a target operating company, such as an MSO, may have thousands and thousands of documents and many witnesses.”

Long calls such litigation “a distraction” from the operating company’s core business, as well as a major expense.

Mark Chandler, general counsel of frequent troll target Cisco Systems, took it a step farther. He called the NPE lawsuits a “tax” because they are “an extraction that is unrelated to any product that is provided.”

“If you can credibly tax an end user of a service that includes a semiconductor, you can get more money than if you sue the company that actually makes the semiconductor,” Chandler said. “The bad news is that these suits are proliferating; the good news is that the courts have caught on” and may soon curtail egregious suits.

The attacks on MSOs have upped the ante for vendors such as Cisco.

“We have a number of cases in which we’re indemnifying customers,” Chandler said, underscoring the extended financial impact of the PAE’s attacks on the cable industry.

WASHINGTON STEPS IN

As cable operators fend off patent attacks in court, Washington is accelerating efforts to curb abuses. At least a half-dozen patent-reform bills are moving through Congress; the Federal Trade Commission has launched an investigation into PAE practices; and the White House and Government Accountability Office have also weighed in.

In late September, the FTC initiated an investigation of 25 PAEs, seeking to “better understand how they impact

innovation and competition.” The agency’s examination surfaced barely a month after the GAO recommended in its report *Intellectual Property: Assessing Factors That Affect Patent Infringement Litigation Could Help Improve Patent Quality* that the U.S. Patent and Trademark office “improve patent quality and examination” procedures to reduce abusive lawsuits.

In early June, the Obama Administration issued a five-point “Patent Assertion and U.S. Innovation” report to improve incentives for “future innovation in high-tech patents.” The White House plan also seeks to curb abusive patent litigation.

Congressional anti-troll action has accelerated. Last week, Sen. Orrin Hatch (R-Utah) introduced the Patent Litigation Integrity Act, a companion to Rep. Bob Goodlatte’s (R-Va.) bill introduced a week earlier that would make it harder for PAEs to attack legitimate businesses. For example, Goodlatte’s plan would protect “covered customers” (such as cable operators) from being drawn into infringement suits against manufacturers. The proposal would also require PAEs to specify infringement claims, rather than broad fishing expeditions, and would require PAEs to bear court and attorney costs if they lose the suit. Such approaches would be disincentives for frivolous suits, supporters have claimed.

Cisco's Chandler said he sees "more momentum for patent reform than in the past half decade" and expects Congress to act as a "broad swath of customers [are] now affected" by patent abuses."

Multi Channel News – November 4, 2013

TV'S IDENTITY CRISIS

How A New Device, Upstart Rivals And The Cloud Transformed Cable TV

By: Johnnie Roberts Oct 28 2013 - 12:00am

How A New Device, Upstart Rivals And The Cloud Transformed Cable TV



The mashup last month between Twitter and Comcast sparked big news that left many companies wondering if, for the moment, they had been left behind. Now, some of the millions of overlapping devotees of the social-media darling and the No. 1 cable operator can tune into TV shows via a tweet.

On the heels of the tweet-cast teamwork, streaming- VOD juggernaut Netflix — supposedly cable's scariest cord-cutter threat — is seeking a blockbuster accommodation with ... cable operators. Untold numbers of Netflix's 31 million U.S. subscribers could begin receiving *House of Cards* and the rest of its streaming VOD through (ahem!) the set-top box, the same route taken by rival bundles of pay TV channels. No more over-the-top for Netflix-ers!

FUTURE SHOCK

As the back-to-back advances reflect, television is having an acute Future-of-TV Moment. Over the past few years, of

course, the dominant medium of the 20th century has been undergoing a technological metamorphosis, gradually adapting to the insistent demands of a 21st century, Internet-centric mainstream audience, which is intolerant of traditional television's constraining day-parts and programming schedules.

Now, however, television's evolution is reaching a convulsive tipping point in real-time speed. Or so it seems, considering a blizzard of stunning moves in recent months throughout the television ecosystem, including the uncharted territory — “the cloud.” The continuing spate of maneuvers confirms what has been long obvious. Cable operators — the undisputed incumbent power of the medium — and the still-unbowed broadcasters that they supplanted face a potential existential threat from over-the-top Internet video. The stakes, according one estimate, total as high as \$2 trillion.

The frenzied, paradigm-altering activity has begat an accompanying frenzy of jockeying for advantage and hedging of bets abound. For example, pillars of the cable industry, including Comcast and Cox Communications, are quietly exploring, or have openly toyed with, the once-unimaginable: going over-the-top themselves with subscription Internet video services aimed at short-circuiting upstarts.

At the same time, the developments are furthering the ascent of some relatively recent entrants. In September, Netflix gained validation, winning an Emmy for its foray into original series, *House of Cards*. A payoff : Surging third-quarter subscriber growth, surpassing HBO.

Meanwhile, other developments foreshadowed the looming arrival of yet more — and potentially more formidable — rivals

into the over-the-top space. For consumers, a new golden era of choice, convenience and video ubiquity is gaining brighter luster and becoming more magical.

IDENTITY CRISIS

The rapid succession of developments involve every ilk of television-ecosystem inhabitant — ranging from old guard Hollywood content behemoths and last-century cable, satellite and telco distributors to the players of the new millennium, social- media platforms, technology titans and parvenu purveyors of video streams. The names are household ones. In addition to Netflix, Twitter and Comcast, they include Amazon, Apple, Google (and its YouTube), Sony, Intel, Viacom, Disney, DreamWorks and Fox. Others may be less familiar: newcomers Aereo, Dyle TV, FilmOn and Syncbak are pursuing local-market streaming niches.

Talk to any headhunter or HR honcho and you'll hear the same theme: Fear, loathing and anxiety pervades the Csuites of media and communications these days. It's all enough to confront television with an identity crisis. What do you call a broadcaster that also streams its entire live network? Is a cable company still a cable company if it's reborn with implants of "cloud" DNA and shares its set-top box with a pure bred Internet VOD streamer (which, by the way, in an earlier reincarnation was a DVD rental giant)?

"A defining moment in technology and distribution" is how Anne Sweeney, co-chairman of Disney Media Networks described a first of its kind for a broadcaster. The "Watch ABC" app, unveiled in May, streams ABC broadcast-network programming live on digital devices around the clock anywhere.

Media companies like The Walt Disney Co. also are caught in a balancing act, as a roil of recent moves also indicates. They earn huge profits licensing their cable channels to incumbent distributors. Although relationships have become increasingly strained, given the rising fees they command, both sides have mutual interests to preserve in the brave new television world. For the content owners, cable TV in particular is the golden goose that media giants don't want to harm by aggressively licensing their networks to upstart over-the-top rivals.

Still, media companies are licensing content to the VOD services, Netflix, Hulu and Amazon Prime, and reaping hundreds of millions of dollars in new revenues and on more lucrative terms than what the mainstay pay TV operators are charged.

But the media giants seem more dissuaded from aiding the insurgents by the incumbent distributors. For now, they seem to more favor strategy that trades streaming rights, along with cable TV licenses, to their traditional distributors in cable, satellite and telcos. "It's a real goal of our company to aggregate as many rights as we can on as many different platforms to provide [customers] with the best experience," Comcast vice chairman and chief financial officer Michael Angelakis told the Goldman Sachs Communacopia Conference in September.

On another front, after decades of steadily declining audiences and the rise of cable operators, the Big Four national broadcast networks have weathered the most profound change — and yet, they retain the largest audiences for shows and mandatory retransmission fees flood their coffers. Now they, too, face a grave new threat. It's spelled Aereo, an upstart that captures the live broadcast signal and

streams it to subscriber's mobile devices. If Aereo can distribute broadcast signals by Internet, why should or would cable operators pay billions of dollars of retransmission fees to the industry? Backed by Internet mogul Barry Diller, the service is spreading to 22 cities, so far, nationwide.

The industry's fierce legal challenge hasn't stymied Aereo. Broadcasters are determined to drag the service all the way to the U.S. Supreme Court, alleging it is illegally streaming their signal. But there's no guarantee of victory. So, the industry is seeking to innovate its way to victory. Thus Disney's "Watch ABC" in May. Last April, CBS acquired a stake in Syncbak, the Marion, Iowa-based company that controls a platform for streaming local TV-station programming to mobile devices. Some analysts see it as a counter to Aereo.

A confluence of factors is behind the industry's current unprecedented maneuverings. At a minimum, survival in the television business means satisfying changing consumer habits. And providing TV audiences the control they crave may force a company to, well, turn itself into a media-hybrid, part cable, part video streamer. Further, seminal technological advances — tablets and the cloud, to cite two game-changers — have set the foundation for the whirlwind of actions now buffeting the industry as participants aggressively try to satisfy consumers' demands, gain new revenues and dislodge old incumbents.

For example, compared to traditional television, digital video ads are a hit with consumers, who find them deeply engaging. To be sure, television is hardly at risk of being toppled even in the next few years of as the leading advertising platform, garnering some 40% of the more than \$170 billion of paid media. By comparison, spending on digital video is minuscule

— a bit more than \$4 billion. Yet, the growth of format is surging, up an estimated 41 percent this year versus a small single-digit up for television.

What's more, digital video's gain is television's loss, according to the Interactive Advertising Bureau, which attributes much of the increase to dollars shifted from TV budgets. Fueled by the growing digital video audience and proliferating digital video services, the trend is forecast to continue.

For now, one historical pattern of nature — that the biggest creature occupying a land suffers the dinosaur's fate — won't be repeated on the cable-TV landscape. With 21.8 million video subscribers, Comcast, a cable pioneer and the industry's leading gargantuan, has been virtually reborn for the digital age. While still serving up linear cable networks, Comcast has become one of the industry's leading purveyors of VOD — clocking 400 million requests monthly — having been the most aggressive hoarder of rights from the beginning of the product. Some observers regard Comcast's decision to offer the entire primetime schedule of its NBC broadcast network on video-on-demand as an industry inflection point. But that's just half of Comcast's survival strategy. Before our eyes, it appears to be morphing into some hybrid television beast. Consider its X1 platform: Rolled out now across roughly 90% of its territorial footprint, it enables an infinitely flexible, immersive and soup-to-nuts entertainment experience that accommodates smartphones, tablets, VOD and social-media features — all based on technology and innovations mixed together at its Comcast Labs.

In June, amid the frenzy of industry moves, Comcast introduced the next generation, X2. The company, said CEO

Brian Roberts at the time, is “transforming our video product into a complete entertainment operating system.” Many of its smaller cable operator peers, though, are having trouble catching up.

CRACKING INTO CONTENT

In a flattering way, the Web-video services mimic some highly successful cable networks, both premium and basic. Like HBO and AMC, for example, Netflix has mined growing critical and commercial success through original programming. It’s no coincidence the category leader added a surprisingly high 1.3 million U.S. customers for a total of 31 million, surging past HBO’s 28.7 million, in the third quarter, during which its exclusive series, the political drama *House of Cards*, collected the first-ever Emmy (Best Director) for a non-network program.

And a second original series, *Orange Is the New Black*, “has been a tremendous success for us,” CEO Reed Hastings wrote investors last week in announcing earnings. By the end of the year, Hastings added, Orange will be Netflix’s most-watched show ever, with an “audience comparable with ... broadcast TV,” though he didn’t specify the size.

Hoping for similar results, rival Amazon Prime is following suit, but with a twist. From 14 pilots produced by parent Amazon, it is making five original TV series selected based on viewer feedback to show on Prime Instant Video, a first jump into exclusive programming. The first, debuting in November on Amazon’s Prime Instant Video service, is *Alpha House*, a 13-episode political comedy created by Pulitzer-Prize winning cartoonist Garry Trudeau and starring John Goodman.

If it’s a hit, Amazon surely hopes to reap a surge in members to its flagship Prime service, a \$79 a year offering that

includes free access to Instant Video. The threat to cable TV is a real one — Amazon is the No. 1 e-tailer in the world, with revenue of \$61 billion.

So what are cable operators to do as cheap prices and quality shows draw crowds to subscription VOD, and cable customers steadily abandon them—by 400,000 in the aggregate in some quarters? Cable operators already are eyeing a chokepoint: the broad band pipeline. Broadband, the delivery system for Internet video, is cable's growth engine, accounting for as much as 77% of aggregate additions in recent quarters, International Strategy and Investment Group estimated.

Applying the brakes to Internet VOD may be a simple matter of pricing model. Out with the standard all-the-bandwidth-you-can-hog plans; in with pay-for-what-you-eat — so-called usage-based pricing. It's "only logical and fair," CEO Greg Maffei of Liberty Media, which owns a 24% stake in Charter Communications, recently told a Wall Street audience. For streaming video subscribers, the cost no doubt could escalate to exorbitant levels because of the bandwidth-hogging size of Internet video.

And the overall traffic is voluminous. At a point last year, Netflix alone accounted for 40% of all U.S. Web traffic last year — a volume that surely is exploding, given the growth of the service. Add to it the newcomers on the horizon. The rude awakening to exploding broadband cost will inevitably lead to an unpleasant result for over the top video: abandonment by price-sensitive customers.

"We have a government-affairs department that's interested in that conversation," Netflix chief financial officer David Wells

told the Goldman Sachs conference in New York, alluding to a possible lobbying campaign to head off the usage-based billing. Consumers, he added, are “better served if there is not tolling” and that broadband services already generate “a healthy [profit] margin.”

Can't they all just figure it out? Not really — not for long stretches, anyway. Or so the history of the television business suggests.

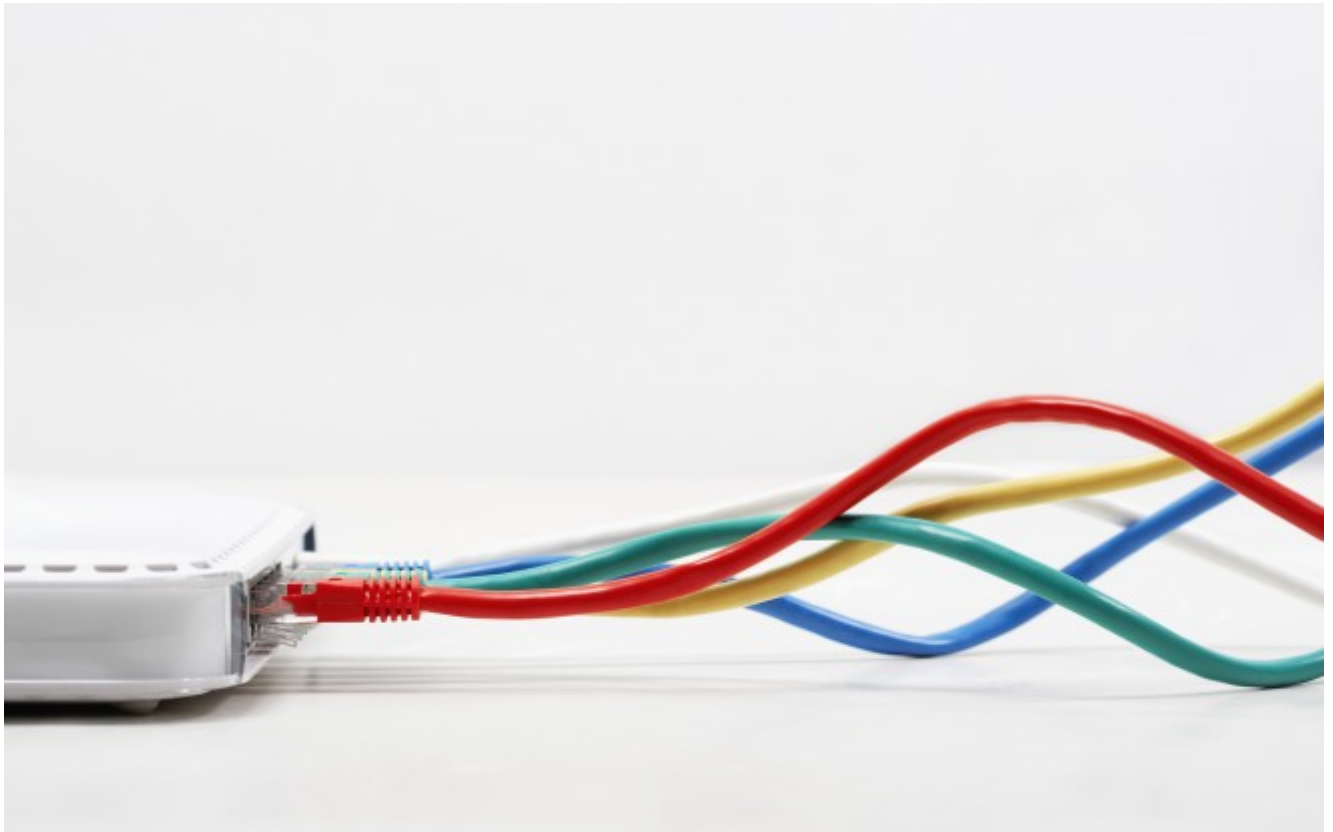
The industry seems constantly in the throes of reinvention. New technologies, morphing business models and iconoclast visionaries compel companies to change and react. Good companies eventually discover their calling.

For those that remained mired in identity crisis, their Future-of-TV Moment is fleeting.

Multi Channel News – October 28, 2013

We're About to Lose Net Neutrality — And the Internet as We Know It

- By [Marvin Ammori](#)
- 11.04.13
- 9:30 AM
-



- Image: moodboard/Getty

Net neutrality is a dead man walking. The execution date isn't set, but it could be days, or months (at best). And since net neutrality is the principle forbidding huge telecommunications companies from treating users, websites, or apps differently — say, by letting some work better than others over their pipes — the dead man walking isn't some abstract or far-removed principle just for wonks: It affects the internet as we all know it.

Once upon a time, companies like AT&T, Comcast, Verizon, and others declared a war on the internet's foundational principle: that its networks should be "neutral" and users don't need anyone's permission to invent, create, communicate, broadcast, or share online. The neutral and level playing field provided by **permissionless innovation** has empowered all of us with the freedom to express ourselves and innovate online without having to **seek the permission** of a remote telecom executive.

But today, that freedom won't survive much longer if a federal court — the second most powerful court in the nation behind the Supreme Court, the DC Circuit — is set to strike down the nation's net neutrality law, a rule adopted by the Federal Communications Commission in 2010. Some will claim the new solution "**splits the baby**" in a way that somehow doesn't kill net neutrality and so we should be grateful. But make no mistake: Despite eight years of public and political activism by multitudes fighting for **freedom** on the internet, a court decision may soon take it away.

Wired 11-4-2013

Wheeler Introduces New Staff

FCC CHAIR TAPS VETERAN MEDIA ACTIVIST TO HELP SHAPE FCC MESSAGE

By: JOHN EGGERTON Nov 11 2013 - 12:00am

FCC CHAIR TAPS VETERAN MEDIA ACTIVIST TO HELP SHAPE FCC MESSAGE

Federal Communications Commission chairman Tom Wheeler, who was expected to be an activist chairman, shook things up last week with his appointment of public-interest advocate Gigi Sohn as special counsel for external affairs, overseeing outreach to the media and Congress.

“This team provides an excellent mix of governmental, private-sector and public-interest expertise,” Wheeler said last week in announcing his new staff.

It was the “public-interest expertise” part that had Washington buzzing. The rumor circulating the week before was that Sohn, president of Public Knowledge, might be named head of the agency’s Consumer and Governmental Affairs Bureau. She had nixed that speculation in no uncertain terms, but turned out to have an FCC post waiting for her anyway.

Broadcasters on background expressed some concern about Sohn joining the FCC given Public Knowledge’s advocacy for retransmission-consent reforms that broadcasters argue undercut their negotiating position to the detriment of their business model and, ultimately, their viewers.

Those same broadcasters were already worried about where they would stand in a Wheeler FCC given his background as a former lobbyist for the cable and wireless industries. Wheeler said at his nomination hearing that while he had no

problem with broadcasters getting more money for their signals, he doesn't like consumers "being held hostage over corporate disputes," and that the FCC would be looking into the issue.

National Cable & Telecommunications Association president Michael Powell certainly sounded upbeat about Sohn's appointment. "Hearty congratulations to @gigibsohn. One of the finest voices for the public there ever has been. @FCC gaining a true star," he tweeted on learning of the appointment.

In an interview with *Multichannel News*, Sohn briefly described her new job.

"My portfolio is really three things," she said. "It is thirdparty outreach and coalition building, which will take up a lot of my time. And I also will oversee the Office of Media Relations."

She said that will include "shaping the message." The third thing will be heading up intergovernmental affairs. "I will be overseeing the office of legislative affairs, but I am also going to be working with agencies that have an interest in broadband policy, including the Department of Education, HUD, Health and Human Services, and Interior to try and strengthen their relationship with the FCC."

So, what of those broadcaster concerns about the former head of Public Knowledge, a group that has been pushing for retrans alongside cable operators, taking the calls from the American Television Alliance?

"I don't think they should be concerned at all," Sohn said. "Let me get in my job first, but I have a reputation of being an honest broker."

Sohn and Public Knowledge were at the table with cable operators when they hammered out the compromise Open Internet order with the FCC.

“We’ve known and respected Gigi for 20 years,” said NAB spokesman Dennis Wharton. “She’s super smart and will be Chairman Wheeler’s fiercest advocate. She’s also pro-competition, and we’re optimistic that she and Chairman Wheeler will acknowledge that fair retrans compensation allows local TV stations to remain competitive against behemoth pay TV giants like Time Warner Cable, DirecTV and DISH.”

Familiar Faces

New Federal Communications Committee chairman Tom Wheeler wasted no time announcing his new team. Of course, he had several months of planning between his approval by the Senate Commerce Committee and his eventual, whirlwind confirmation two weeks ago.

In introducing his team to the FCC last week, Wheeler had already tasked one of them with some early homework: Special counsel Diane Cornell will head up a temporary working group to look into various proposals for FCC reform and have a report on Wheeler’s desk within 60 days.

Wheeler’s team is heavy on FCC experience and drew plaudits from a number of industry players. Here are some of the familiar FCC faces who will be helping Wheeler run what the chairman pledged last week would be a pro-competition commission.

Ruth Milkman, chief of staff, has been chief of the Wireless Bureau since 2009 (with a brief sabbatical), but her dozen

years of prior experience at the FCC include being deputy chief of the International and Common Carrier bureaus and senior legal advisor to former chairman Reed Hundt.

Phil Verveer, senior counselor to the chairman, was most recently Deputy Assistant Secretary of State and U.S. Coordinator for International Communications and Information Policy for the State Department. In that role he was the point person for the U.S. pushback on international Internet governance issues. But he is also familiar to cable ops, broadcasters and phone companies from his first go-round at the FCC, when he was chief of what were then (the 70s and early 80s) the Cable Television Bureau, the Broadcast Bureau and the Common Carrier Bureau.

Diane Cornell, special counsel, was most recently at Inmarsat, but her FCC experience is wide and deep. It includes serving as legal advisor to three different commissioners, chief of staff of the Wireless Bureau, and division chief in the International and Common Carrier Bureaus.

Multi Channel News – November 11, 2013

Wheeler Outlines His Plan

FCC Chief Expands on Regulatory View

By: John Eggerton Nov 11 2013 - 12:00am

FCC Chief Expands on Regulatory View



Federal Communications Commission chairman Tom Wheeler last week outlined a broadband-centric vision for the FCC and said the rights of users and responsibilities of networks would not change even as technology does, though the same may not hold for all the regulations that applied to the old order.

Wheeler addressed a standing-room crowd of FCC staffers Nov. 4 after being sworn in as chair by acting chairwoman Mignon Clyburn earlier in the day — Clyburn literally handed a baton to Wheeler to mark the transition.

He followed that up with a blog post — he was a frequent blogger on mobile media issues while a venture capitalist — outlining his general vision. (To read the blog, visit multichannel.com/Nov11.)

He said the three prisms through which he would view decisions were promoting growth, maintaining the historic “compact” between networks and users, and making sure those networks “work for everyone.”

As he prepares to tackle the big issues of the day — auctions, the IP transition, broadband deployment and more — Wheeler withheld views on specific cases, but expanded on his FCC regulatory world view.

MCN: You came in with a well-defined approach to your job. What will drive your decisions?

Tom Wheeler: I will make decisions based on the information presented and the facts in a particular situation, but here are three general prisms that I would use to look through.

One is that obviously our goal has to be about economic growth and success, and that the models have changed. The federal government dictating things in great detail to the marketplace is the model that shouldn't exist anymore. We need to be as nimble as the technology that we deal with, and I think the key to nimbleness is competition. It is the forces of competition that can drive expansion of services, that can drive the reach of networks, that can drive pricing, that can drive the speed and capability of networks. And, therefore, our first job ought to be to promote and protect competition and where it exists to make sure that it continues.

MCN: You said that part of ensuring that growth and innovation was making sure there are “adequate amounts” of spectrum. How do you ensure that?

TW: What was it that Mark Twain said? “I’m putting all my money in land cause I hear they ain’t makin’ it no more.” That is the reality that we are facing in spectrum. The question is how you get the most efficiency with the fixed amount of spectrum we have. It is a simple question in that regard. You cannot invent it. You cannot grow it. You have to make sure

you are using it as efficiently as possible and fortunately technology keeps allowing you to do that.

Broadcasters have been concerned about a “just take it back” philosophy as opposed to take back but also look at the other side of the equation, which is efficiency.

I think that the question on the table is how we use spectrum most efficiently, and it applies across the board. In the past, and in the very near future, I am talking to the Defense Department about this same question.

MCN: And the second prism?

TW: The second prism I have started calling “the network compact.” That there has always been a set of values that govern the relationship between those who build and operate networks and those who use them, and in the new network world — I don’t think it is this specific or that specific thing, but it is: What are the values that all of those things represent? And I would make sure that those values aren’t lost in that transition.

MCN: You said about that second prism that a change in technology does not change the rights and responsibilities of networks and users. That sounds like you could be talking about anything from IP interconnection, to Title II to how you define an MVPD ?

TW: I think they would all fit under there. The question is what decision gets made.

MCN: And you haven’t made any decisions on those yet?

TW: Correct. I go back to what I said about making decisions based on the facts before us.

MCN: And the third prism?

TW: The third thing is that a network by itself is nothing. Unless a train rolls down the track, there is no value. Delivering fiber to your home is of no value unless the fiber does something. So what it is that networks enable is equally important. How do we make sure we are helping networks enable as much as possible?

MCN: For instance?

TW: For instance, high-speed connectivity of schools, so schools can be in the 21st century, or the ability of the disabled community not only to have access to networks but be able to benefit from new kinds of applications that can be helpful.

We ought to ask ourselves, what is it that happens from the network? Not just, is there a network?

Those are the three prisms, and whenever an issue comes up you apply one or more of them

Multi Channel News – November 11, 2013

Wheeler Ready to Take the Helm

NEW FCC CHIEF TO BE SWORN IN TODAY

By: JOHN EGGERTON Nov 04 2013 - 12:00am

WASHINGTON — Former National Cable & Telecommunications Association president Tom Wheeler is set to be sworn in as chairman of the Federal Communications Commission today (Nov. 4).

Wheeler's former calling card as lobbyist with both the NCTA and CTIA: The Wireless Association drew some early criticism given the White House's seemingly dim view of the profession — and there was a cautionary word or two last week from clean-government advocate Common Cause on the subject.

But his telecom background, combined with his business acumen, proved to be the right combination for the White House and the Senate. It didn't hurt that he had been a tech/communications adviser to the president, so he will not have a long learning curve.

Wheeler comes to the post with some critical issues to resolve, including incentive auctions, the media-ownership rule review mandated by Congress and now four years overdue, how the Internet-protocol transition should be handled, and the long-dormant retransmission-consent docket.

Eliminating the UHF discount (which values UHF stations as worth 50% of VHF stations when computing the federal ownership cap) and loosening restrictions on foreign station ownership have already been teed up, so those are two votes he could get under his belt early on.

Wheeler has said he recognizes the difficulty inherent in the FCC's first two-sided auction. He has likened it to a never-before-tried, Rubik's Cube-like puzzle. But the success of his chairmanship could hinge on the success of those auctions, which are in his wheelhouse as a former wireless lobbyist who has been pushing for more spectrum.

With the FCC post likely the caper on a long career, Wheeler is not expected to be simply a custodian of the post. "I think he is going to be an activist, get-things-done chairman who will set deadlines and meet them," says Dick Wiley, chairman of Wiley Rein, himself a former FCC chair.

On retransmission consent, he said that while he is OK with broadcasters being compensated, what he isn't OK with is "when consumers are held hostage over corporate disputes." He said he would look at the issue if confirmed. Now that he has been confirmed, cable operators will certainly be looking for him to follow up.

That follow-up is more likely to be a nibble around the edges — better defining good-faith negotiations or including outside arbitration — than a major overhaul, which could face opposition from congressional Republicans.

"Retrans reform is long overdue, and we now have a record number of blackouts," said a spokesman for the American Television Alliance, a consortium of cable and satellite operators and others pushing for retrans reform. "We hope that chairman Wheeler and the rest of the commission carefully look at the facts and take action."

Communications attorney Andrew Jay Schwartzman added: "I expect him to be a strong manager and a decisive decision-maker. He has the benefit of a vast knowledge of the technologies and structure of the industries subject to FCC jurisdiction."

One of Wheeler's first jobs will be to hire or retain bureau chiefs. Among those likely to remain, either in current or new positions, are Wireless Bureau chief Ruth Milkman and Media Bureau chief Bill Lake, both of whom are neck-deep in incentive auction issues. Wheeler is said to possibly have a new Media Bureau chief in mind.

Among those Wheeler is said to be eyeing for possible FCC posts are Diane Cornell, formerly of both CTIA and the FCC; and Phil Verveer, a former FCC Cable Bureau chief — back when there was a Cable Bureau — and more recently deputy assistant secretary of state for international communications and information policy at the State Department.

Two weeks ago it looked like Thanksgiving would be the holiday associated with Wheeler's confirmation, maybe even Christmas given the hold on his nomination by Sen. Ted Cruz (R-Texas). But Cruz and Wheeler met last week, and the Senator indicated he was satisfied that Wheeler was not intent to get the FCC into the middle of the political ad disclosures issue.

After that, the Senate moved swiftly to confirm Wheeler unanimously, as it did the nomination of Michael O'Rielly for the open Republican seat; Democrats had made clear his nomination would not be approved until the Wheeler hold was

lifted. At press time Wheeler was expected to be sworn in Nov. 4, but he did not return a call requesting details.

Acting chairwoman Mignon Clyburn will give up the big chair after having been more active than some had predicted, though mostly on the broadcast and phone fronts. That includes proposing to eliminate the UHF discount, potentially allowing more foreign ownership of broadcast stations, helping broker a compromise on 700-MHZ interoperability, reducing prison phone rates and taking action to boost rural call completions.

Multi Channel News – November 4, 2013