



Town of Salisbury
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TOWN OF SALISBURY

STATEMENT OF REASONS FOR PRELIMINARY ASSESSMENT OF DENIAL

The Board of Selectmen, statutory Issuing Authority for the Town of Salisbury (the "Town"), and Comcast Cable Communications Management, LLC ("Comcast") have followed formal cable television renewal procedures, pursuant to Section 626(a-g) of the Cable Act, 47 U.S.C. §546. The Issuing Authority issued a formal Request-for-Proposal ("RFP") to Comcast, dated April 6, 2017. Comcast submitted a renewal proposal (the "Renewal Proposal") to the Town, dated April 14, 2017. The Issuing Authority issued a preliminary assessment of denial on August 9, 2017. The Cable Television Renewal License (the "2007 Renewal License") expired on August 12, 2017.

After a number of negotiating sessions, the Issuing Authority and Comcast were unable to agree on a number of renewal matters. Consequently, the Issuing Authority denied Comcast's request for a renewal license on August 9, 2017. Pursuant to 207 CMR 3.06(3), the Issuing Authority is hereby issuing this written statement detailing its reasons for this preliminary assessment of denial.

Pursuant to 47 U.S.C. § 546(c)(1)(D), the Issuing Authority does not believe that Comcast's Renewal Proposal is reasonable to meet the future cable-related community needs and interests of Salisbury, taking into account the cost(s) of meeting such needs and interests. Specifically, the Issuing Authority does not accept Comcast's Formal Renewal Proposal regarding the following matters:

First, the Issuing Authority in the RFP sought a commitment from Comcast to continue to provide Cable Services to all residents in the Town without regard to density factors. In its Renewal Proposal, however, Comcast proposed providing Cable Service only to residents in areas of the Town meeting certain numerical parameters. The Issuing Authority did not agree to Comcast's proposal in this regard.

Second, the Issuing Authority in the RFP sought a commitment from Comcast that it would continue to provide that any dwelling unit within two hundred feet (200') from the existing Trunk and Distribution System would be entitled to a standard aerial installation rate, as required by the 2007 Renewal License. Comcast did not agree to that provision in its Renewal Proposal.

Third, the Issuing Authority in the RFP sought a commitment from Comcast to continue to operate and maintain its current hybrid fiber-optic Institutional Network ("I-Net") as required by the 2007 Renewal License. In its Renewal Proposal, however, Comcast did not propose or agree to continuing operation of the I-Net. The Issuing Authority did not agree to Comcast's proposal in this regard.

Fourth, the Issuing Authority in the RFP sought a commitment from Comcast to continue to provide drops and monthly service to public buildings and schools in accordance with applicable Massachusetts law. In its Renewal Proposal, however, Comcast proposed (i) limiting drops to public buildings as defined by Comcast and (ii) establishing its own distance parameters, contrary to the requirements of applicable state law and the provisions in the 2007 Renewal License. Consequently, the Issuing Authority would not agree to such provisions.

Fifth, in its Renewal Proposal, Comcast proposed so-called "level-playing field" language in a subsequent renewal license. The Issuing Authority would not agree to the inclusion of such language in a subsequent renewal license.

Sixth, the Issuing Authority in the RFP sought a commitment from Comcast to provide annual funding for cable-related purposes in the amount of five percent (5%) of its Gross Annual Revenues ("GAR"), less applicable fees. In its Renewal Proposal, Comcast proposed different and lesser annual funding. The Issuing Authority did not agree to Comcast's operating funding proposal.

Seventh, the Issuing Authority did not agree with or accept Comcast's Renewal Proposal definition of "Gross Annual Revenues."

Eighth, the Issuing Authority in the RFP sought a commitment from Comcast to provide an explicit amount of funding for the purchase of PEG Access/Cable-Related equipment and other capital needs. In its Renewal Proposal, Comcast did not agree to provide the requested amount of funding for equipment and other capital needs. Consequently, the Issuing Authority did not agree to Comcast's equipment funding proposal.

Ninth, in its Renewal Proposal, Comcast proposed language that would allow it to use the public rights-of-way in equal standing with utilities, despite the fact that Comcast is not a common carrier. The Issuing Authority would not agree to such language.

Tenth, the Issuing Authority in the RFP sought a commitment from Comcast to maintain the PEG Access Channels at the same standards and levels which apply to Comcast's commercial channels, as currently required by the 2007 Renewal License. Comcast did not agree to any such maintenance standards in its Renewal Proposal.

Eleventh, the Issuing Authority in the RFP sought a commitment from Comcast to list PEG Access Programming in its on-screen/interactive program guide in the same manner as its commercial programming listings. Comcast did not agree to provide such a program guide in its Renewal Proposal.

Twelfth, the Issuing Authority in the RFP sought a commitment from Comcast to designate three channels for the transmission of standard definition ("SD") Signals and three (3) high definition ("HD") Signals, all to be programmed produced by the Issuing Authority and/or its designee(s). Comcast did not propose or agree to provide either 3 SD Channels or 3 HD Channels in its Renewal Proposal.

Thirteenth, the Issuing Authority in the RFP sought a commitment from Comcast to provide HD serial digital interface equipment. In its Renewal Proposal, Comcast did not agree to provide such equipment.

Fourteenth, in its Formal Renewal Proposal, Comcast reserved the right to “reclaim any unused time” on any of the PEG Access Channels that might not be “fully programmed”. The Issuing Authority did not agree with or accept Comcast’s language in this regard in its Renewal Proposal.

Fifteenth, in its Renewal Proposal, Comcast stated that PEG Access programming produced by an access corporation could not be provided to another cable television operator licensed to operate in the Town by the Issuing Authority without the written consent of Comcast. The Issuing Authority would not agree to such a restriction.

Sixteenth, the Issuing Authority in the RFP sought a commitment from Comcast to continue to provide a Gross Annual Revenues Reporting Form, as currently required by the 2007 Renewal License, which form would explain the basis of the quarterly payments to the Access Corporation and the Issuing Authority. In its Renewal Proposal, Comcast did not agree to provide such a form.

Seventeenth, the Issuing Authority in the RFP sought a commitment from Comcast to continue to comply with Determination-of-Breach provisions for possible license violations, as required by the 2007 Renewal License. In its Renewal Proposal, Comcast did not agree to such provisions during a subsequent renewal term.

Eighteenth, the Issuing Authority in the RFP sought a commitment from Comcast to continue to provide for liquidated damages for possible license violations, as required by the 2007 Renewal License. In its Renewal Proposal, Comcast did not agree to any such liquidated damages during a subsequent renewal term.

Nineteenth, Comcast proposed so-called “Level-Playing Field” language in its Renewal Proposal. The Issuing Authority did not propose or agree to such language in the RFP.

Twentieth, Comcast proposed “No Third-Party Beneficiary” language in its Renewal Proposal. The Issuing Authority did not propose or agree to such language in the RFP.

SIGNATURE PAGE





Wm M. Mahoney

Freeman J Condon



Salisbury Board of Selectmen

Dated: August 14, 2017