

Meeting Minutes
Towns of Great Barrington, Lee, Lenox, Sheffield, and Stockbridge
Five Town Cable Advisory Committee Negotiating Subcommittee for Negotiating
Renewal Cable TV License with Charter Communications (Spectrum)
Wednesday March 1, 2023; Virtual Meeting over Zoom

Subcommittee members present: Linda Miller, Chair

Dennis Arseneau

Rene Wood

Rich Fredericks, Exec. Director, CTSBTV

Charter Communications:

Paul Abbot, Esq.; VP, Local Government Affairs

Trish McCausland, Esq., V-P, Associate General Counsel

John Maher, Director, State Government Affairs

Dan Reing, Esq.; Outside Counsel; Mintz

The meeting was called to order by Chair L. Miller at 3:04pm and was recorded. Charter's request for contact extension letter to DTC was reviewed. J. Maher said DTC information to him on this was different than information received by Chair Miller. It was decided that Charter will send a letter to Chair Miller stating Charter will honor the current Cable TV contract even though it has expired.

March meeting dates were confirmed for 3/15 and 3/29 at 3pm via Zoom. CTSB will continue to be the focus, including Capital Request/Grant, completion of Articles 2 and 3, as D. Reing has forwarded Charter's comments in a new redline, and then Article 5. Invitation was extended to the Charter team to attend the CAC quarterly meeting 3/14 at 6:30pm at Great Barrington Town Hall.

D. Arseneau led the discussion on the CTSB Capital Support Proposal, noting it was a proposal to meet community needs and Charter's proposed \$146,000 was insufficient. Adequate, reasonable, sufficient word meanings were discussed. The 2013 contract received \$205,000 in PEG capital support. A discussion of the proper definition/way to view "facility" or "facilities" ensued. The discussion also brought up the inclusion of "equipment", "training", and "airtime" on Spectrum's website in defining the proper use of PEG subscriber fees. D. Reing discussed FCC regulations. Further discussion differentiated between the use of Franchise fees (5% paid quarterly) and the PEG Capital grant. Question of what bucket a capital expense comes from. PEG vs GAAP. Capital expense defined (Capex) vs. expense item; "adequate support" for channel capacity were discussed; depreciated versus non-depreciated items. Capital capacity = equipment, facilities used to air programming on PEG channels. P. Abbot noted down streaming was Charter's responsibility. Upstreaming noted as the responsibility of the community, that is transporting it to Charter for transmission. Notation of no down streaming possible without upstream and that Charter needs both and ownership of the signals. Channel capacity = equipment, facilities used to air programming on PEG channels. PEG Capital support and channel capacity are excluded from Franchise fees.

It was noted where Charter had agreed with the CTSB request, namely items 1, 4; agreed with the need but submitted either different number of equipment units, vendor(s), and/or costs on items 2,3, 5; and disagreed with items 6, 7, 8, 9, 10, 11, 12, and 14(sic). Item 9 is problematic as not attached to the building but free-standing. R. Wood noted that CTSB and the CAC negotiating subcommittee will be resubmitting the PEG Capital Proposal prior to the 3/15 meeting and will more clearly state each item's true purpose where there is no

current agreement. She explained this concept using item 6 and the primary purpose, editing versus secondary use, training. Also included will be a relook at the proper number of equipment units and vendor of choice. Hope to have to Charter by 3/10/23.

R. Fredericks and staff are evaluating the substitute equipment cited by Charter, as well as the cost of the item and any additional costs needed to make the asset operational.

D. Arseneau is looking into PEG funding provided to other municipalities by Charter/Spectrum; question of whether Charter has provided other assets in previous contracts; issued before or after 2016, when P. Abbot signed the contracts.

P. Abbot on security equipment – is it equipment necessary for programming or security for building. Recognizes it is a capital cost, but is it needed or fit the definition of need in operating a PEG studio? He noted not all capital expenses are eligible as PEG expenses. Question of which bucket the money to fund a capital asset should come from? 5% Franchise may be used for both capital and operating expenses. P. Abbot indicated PEG capital will be provided in a single grant; the grant usages will not be audited. If when a particular item is to be spent, if can be done for less, than the money will not be taken back and may be used for another legitimate PEG capital expense. Audits are not normal unless fraud or misuse is suspected.

Timing of funding was discussed, but this is not an issue to Charter. They are OK with funding PEG Capital upfront, as there is the fund to recoup it. They were asked to provide the balance in the subscriber's monthly fee contribution account. Chair Miller will send a copy of a recent bill showing the current subscriber's monthly fee contribution. As the Charter survey question regarding subscriber willingness to pay a monthly fee for PEG services was brought up by Charter, the CAC subcommittee asked for a copy of that question and survey results, as well as how the survey was conducted. It was noted that about 300 subscribers were surveyed. Charter will supply this information, but not any additional information sought on the entire survey.

There was also discussion on the capital equipment needed to provide HD signals all the way through to the subscriber set, and any capital equipment needed to address closed captioning and CTSB PEG channel programming information to go on the Guide. These will be added to updated PEG Capital Support list sent to Charter. P. Abbot open to discussing, this as well as whether CTSB already has closed captioned equipment. Cost is in delivering closed captioned. This was parsed into capital equipment for continued discussion and operating expenses, such as ongoing expenses needed for providing closed captioning and information for the Guide. Per P. Abbot, if a computer needed to produce closed captioning – this would be capital. If service – would be operating expense. J. Maher will send this information again to Chair Miller. More work is required.

P. Abbot will provide reporting of 5% operating (Franchise) fee sent to each of the 5 towns. This is turned over automatically to CTSB, per an assignment to CTSB. He will also provide what the current fee is per subscriber for PEG support. Spectrum report due in mid-March. Has Charter recovered the PEG Capital grant from 2013? What is this current fund balance? Per P. Abbot will unpack this.

D. Arseneau reviewed all the items on Charter's response to the PEG Capital Support Proposal, which was originally written for 5 years but will be reviewed for inclusion of 10 years. Possible re-estimation at 5 year point in the contract may be a way to address trying to guess technology over this period of time.

R. Wood asked if Scott had seen anything that was needed, or we missed adding to the PEG Capital Support Proposal. P. Abbot and D. Reing will ask him and report back.

Brief review of 3/15/23 meeting agenda: continuance of PEG Capital Support Proposal discussions; CAC subcommittee response back on PEG Capital Support Proposal; answers to R. Wood's questions on PEG funds and Franchise funds; Charter's one survey question; and Sections 2 and 3 of Renewal License Contract.

On a motion to adjourn from R. Wood, seconded by D. Arseneau, and approved on a 3-0 vote, the meeting adjourned at 4:22pm.

Respectfully submitted,

Rene C. Wood;

Sheffield delegate to Five Town Cable Advisory Committee and member of the Negotiating Subcommittee

Documents from the meeting:

- Agenda for 3/1/23
- Informal PEG Capital Support Proposal from Charter Communications