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# BLOOMFIELD

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# TOWNSHIP

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Dave Payne, *Supervisor*  
Wilma Cotton, *Clerk*  
Dan Devine, *Treasurer*

May 2004

Trustees: Sherry Stefanos  
Janet Roncelli  
David B. Buckley  
Neal J. Barnett

Dear Bloomfield Township Resident:

Occasionally, Bloomfield Township residents ask about the Township's relationship with Comcast and our role as the "local franchise authority," as we are identified on your Comcast bill. I am writing this letter to help explain what the Township can and cannot do to help residents get the most value for their television, Internet and telephony needs.

In 1999, Bloomfield Township entered into a non-exclusive, 15-year franchise agreement with MediaOne. This agreement was finalized after months of negotiations between MediaOne officials and the Township's administration, legal counsel and Cable Access Board. During the negotiations, we kept in contact with neighboring communities that were going through the same process. We also stayed abreast of franchise negotiations across the country. We are confident that our resulting franchise and local ordinance gave our residents as much protection and benefit as any other agreement in any other municipality. In 2002, when Comcast purchased MediaOne, the agreement transferred according to the guidelines set forth in the existing franchise. From then on, Comcast became our cable provider and continues to operate under the same franchise agreement and current FCC law.

The "non-exclusive" condition specified in our agreement means that any other cable provider could request a franchise in Bloomfield Township and negotiate the same terms that Comcast's franchise provides. There is no regulatory function that prevents cable competition in our community. The fact that there is only one cable provider in Bloomfield Township is a function of the market place. All across the country, cable providers are choosing *not* to expand into a community to compete with the incumbent cable provider – they cannot make a profit from such a venture.

As you may be aware, in spite of the circumstances described above, some of our neighboring communities have two cable providers. Wide Open West (WOW) is the most notable example and it competes with Comcast in Troy and several other communities. WOW acquired the former Americast cable system which had been providing competing cable services for a quite a few years. In February of 2002 we spoke in person to Mark Dineen, Senior Vice President of WOW, and just recently, we wrote a letter to him, asking if WOW would consider expanding into Bloomfield Township. Both times, he assured us that WOW is not considering such an expansion. Their response is consistent with what we know to be true across the country.

Bloomfield Township's franchise agreement provides for the cable network to be built and maintained according to state-of-the-art specifications. It requires the cable provider to provide services to *all* residents who wish to subscribe, within the guidelines set forth in the franchise agreement. It defines certain customer service standards. It requires the cable company to provide public, education and government channels. Finally, it requires the provider to pay to the Township franchise fees for the use of the public right

of ways, and public benefit fees for the operation of the education and community access channels. According to federal regulation, the cable provider is allowed to pass the franchise fee and the public benefit fee on to the subscriber.

In 1996, the United States Congress passed a Telecommunications Act that deregulated cable rates. Local governments, even though they have a local franchise agreement, have no authority over the prices cable companies charge for their services. Bloomfield Township, just like every other local government in the United States, has no control over cable prices or cable rate increases.

More recent federal regulation has removed high speed Internet from any provisions of the local franchise authority. Local governments receive no franchise fees or public benefit fees from the portion of the cable rates that cover this service. Telephony services have never been subject to the local franchise authority and local governments have never received fees from that part of the cable company's charges.

Bloomfield Township conducts surveys periodically to compare the rates our residents pay with the rates paid by subscribers in other communities. While there is some variation, Bloomfield Township rates, on average, are consistent with rates in neighboring communities, even those communities with two cable providers. In fact, we also know that our rates are consistent with national averages for both Comcast and other cable providers.

Subscribers are free to investigate satellite or DSL services for their cable, Internet and telephony needs, but the Township cannot intervene in that process, since service providers of that nature do not require a franchise from the Township.

In summary:

- Bloomfield Township's contract is non-exclusive and does indeed allow for competition;
- Here, as in communities across the country, no cable provider wants to invest in the infrastructure necessary to compete for the existing customer base;
- As mandated in federal legislation and regulation, Comcast and other cable providers are not subject to local control.

For your reference:

- For Comcast customer service, call 248.855.6971.
- To speak to a Comcast representative about recent rate increases or related issues, call 248-809-9018.
- If you have service issues that Comcast has not resolved to your satisfaction, call the Bloomfield Township office that serves as your local franchise authority, 248.433.7792.

Very truly yours,

Dave Payne, Bloomfield Township Supervisor

***Bloomfield Township Cable Access Board***

Ben Craine, Chair; Barb Browne, Bloomfield Hills Public Schools; Cindi Hopkins, Bloomfield Hills Public Schools; Brian Janks, Bloomfield Township Resident; Karen Kotulis-Carter, Bloomfield Township Public Library; Lisa Martinico, Birmingham Public Schools; Tom Wilson, Past President, Bloomfield Township United Home Owners Association.