

Cable-Related Community Needs Assessment for The City of Omaha, Nebraska



Moss & Barnett
A Professional Association

Brian T. Grogan, Esq. – Moss & Barnett

Overview of Renewal Process

- Cox/Qwest request renewal in Omaha
 - Qwest Franchise expires September 3, 2010
 - Cox Franchise expires September 3, 2011
- City retains Moss & Barnett – June '09
- Moss & Barnett team
 - Brian Grogan – Yuri Berndt
 - Riedel Communications - Bunnie Riedel
 - Dr. Barry Orton
 - Group W Communications

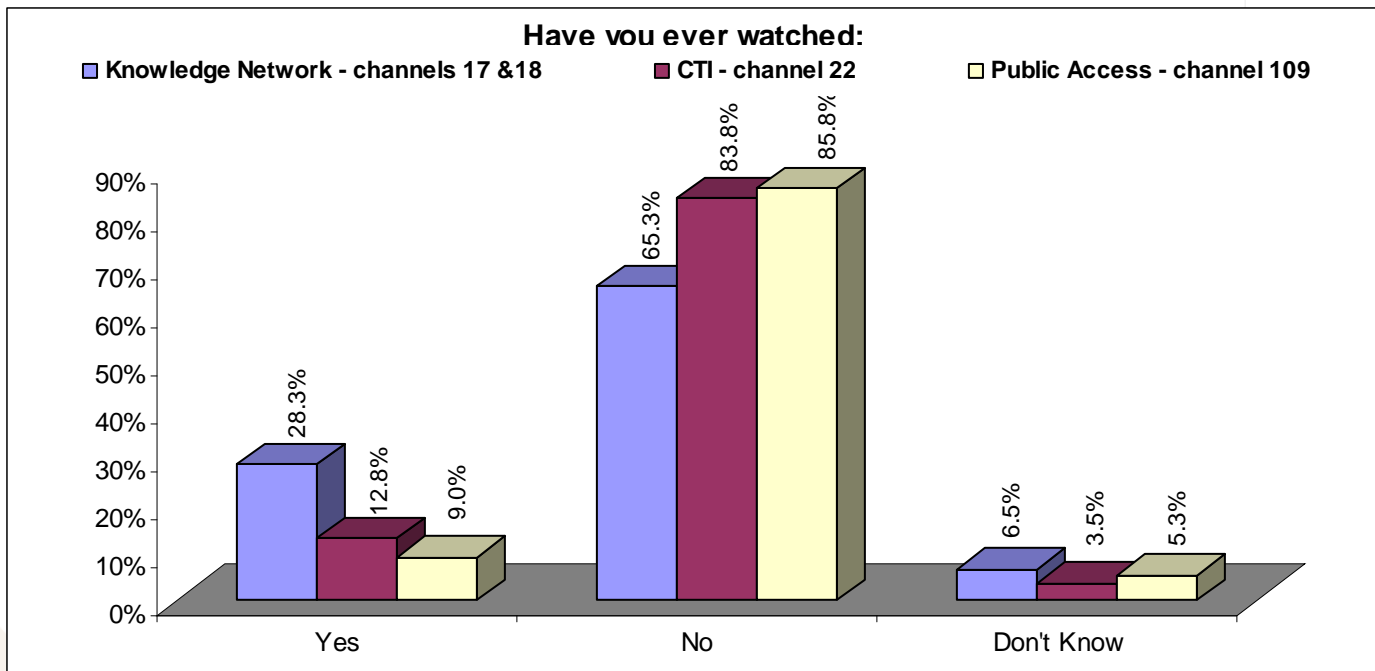
Cable Subscriber Survey

- 400 completed telephone interviews
 - With Cox subscribers
 - Margin of error = 4.9% (95% level of confidence)
- Cox cable performance
 - Cox received high ratings for:
 - Quality of the picture and sound
 - Few interruptions to the signal
 - Accurate and easy to understand bills
 - Restoring cable service when it goes out
 - Helpfulness of telephone customer reps
 - Overall value of cable TV service
 - Cox received its lowest rating for:
 - The ease of installing or changing cable TV services

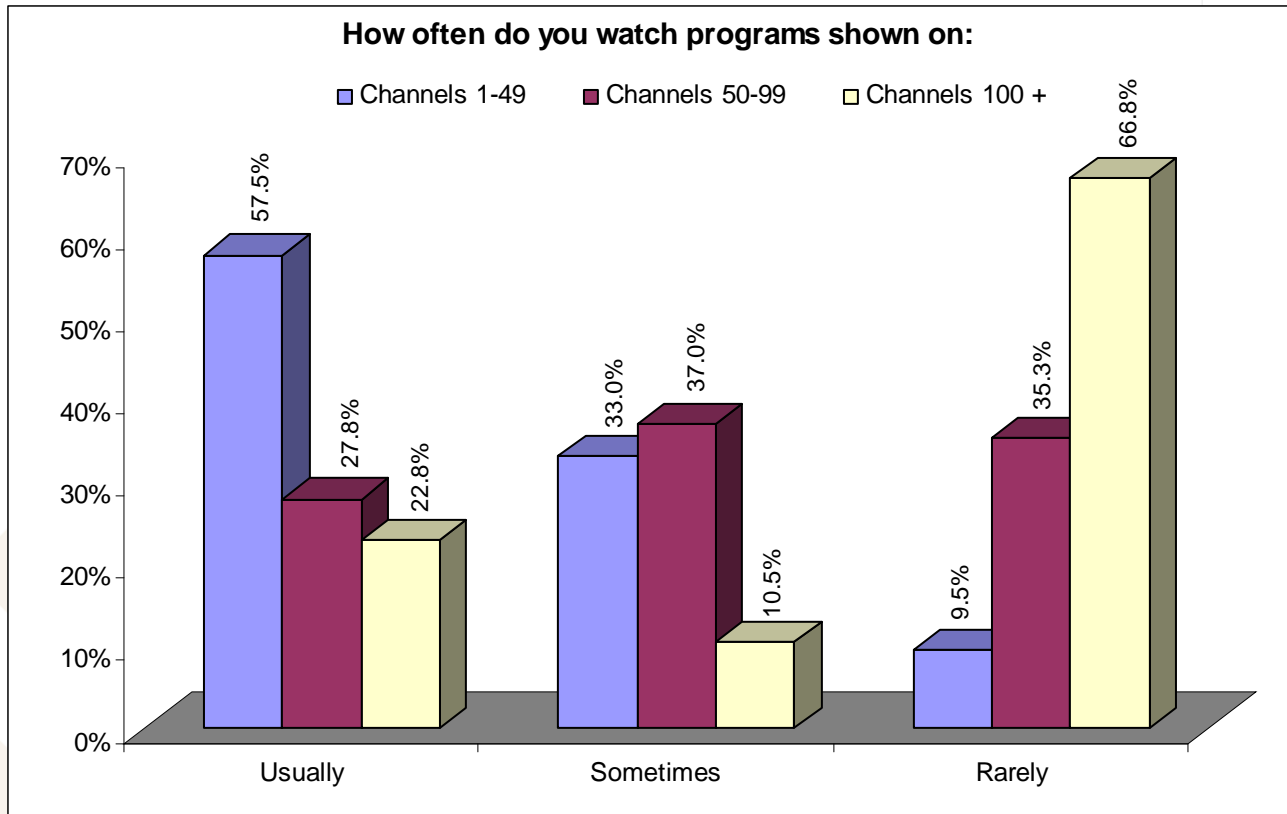
Survey – Local PEG Programming

- The Knowledge Network
 - 28.3% have watched programming on the Knowledge Network channels
- Community Telecast Inc.
 - 12.8% watched programming on CTI channel 22
- Cox public access
 - Independent Television Omaha (ITO)
 - Health and wellness and public access programming
 - 21.8% have watched programming on
 - either channel 23 or channel 109
 - Just under 60% of public access viewers
 - watched channel 23, but not channel 109
 - While 15% of public access viewers
 - watched on channel 109 but not 23

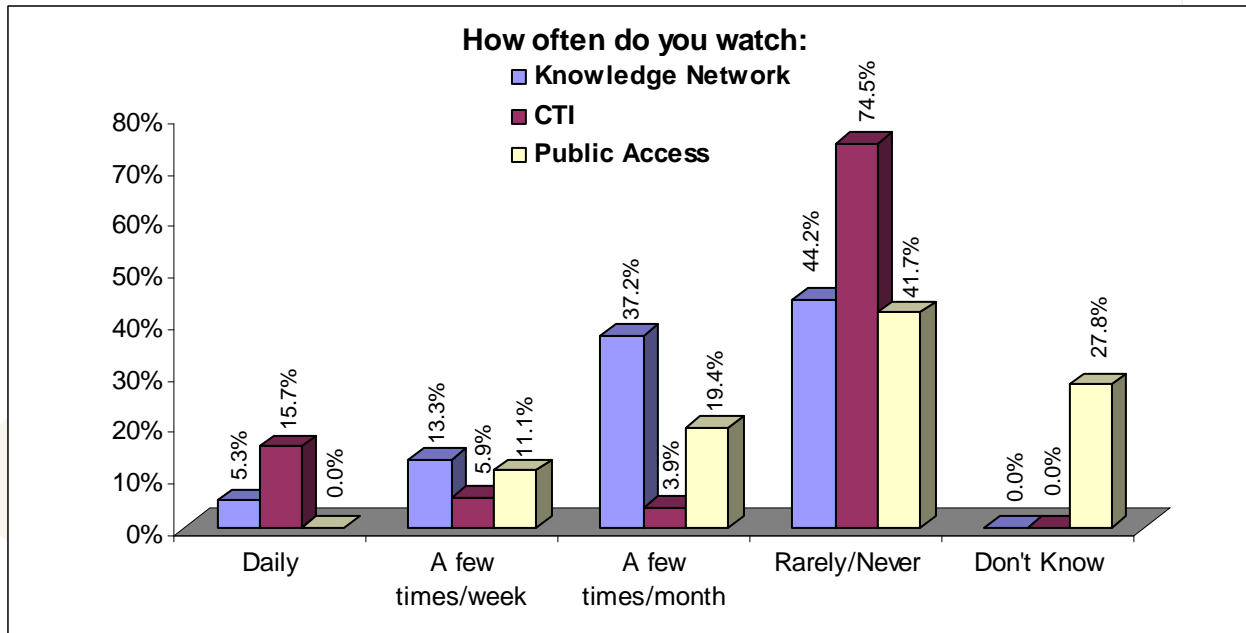
PEG Viewership



Channel Viewership



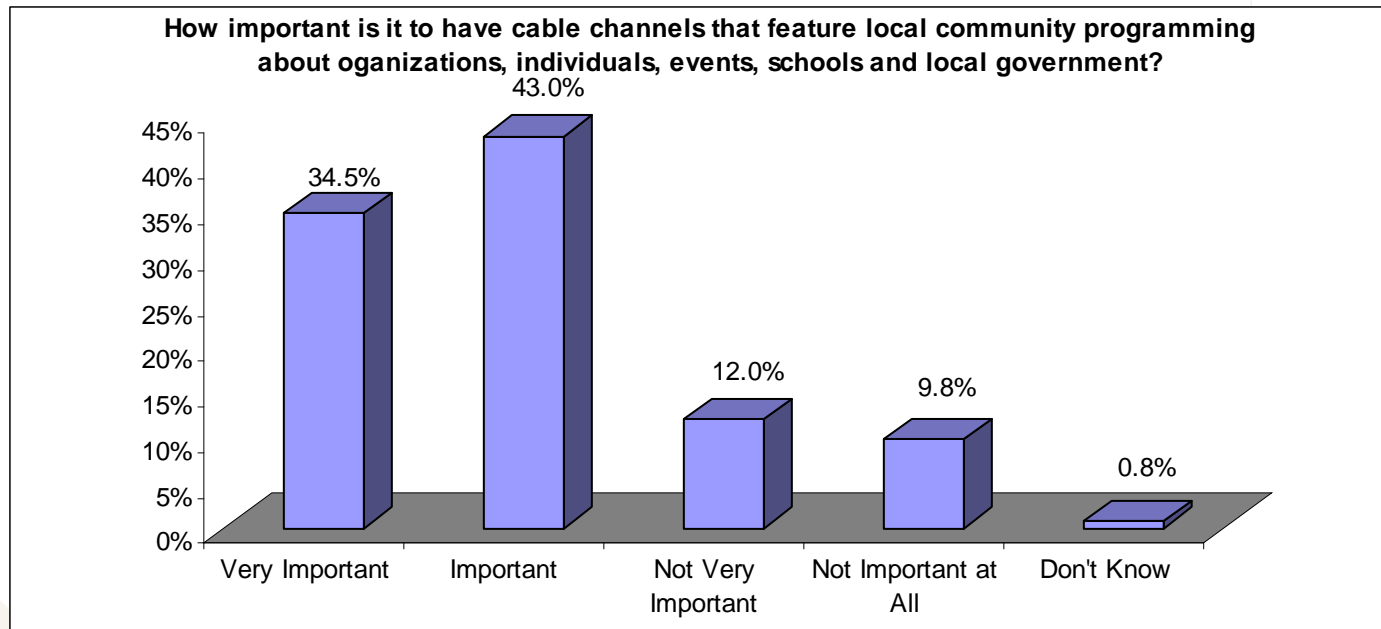
PEG Viewership



Quality of PEG Programming

- Viewers highly rate PEG channel quality
- When Asked about:
 - Programming that deals with local issues
 - 43% give a grade of A or B
 - Programming that introduces you to local government officials
 - 54% give a grade of A or B
 - An outlet for individuals to freely express themselves
 - 58% give a grade of A or B
 - Information about local schools and education issues
 - 42% give a grade of A or B
 - Programming that shows diverse points of view
 - 59% give a grade of A or B
 - A valuable community service
 - 65% give a grade of A or B

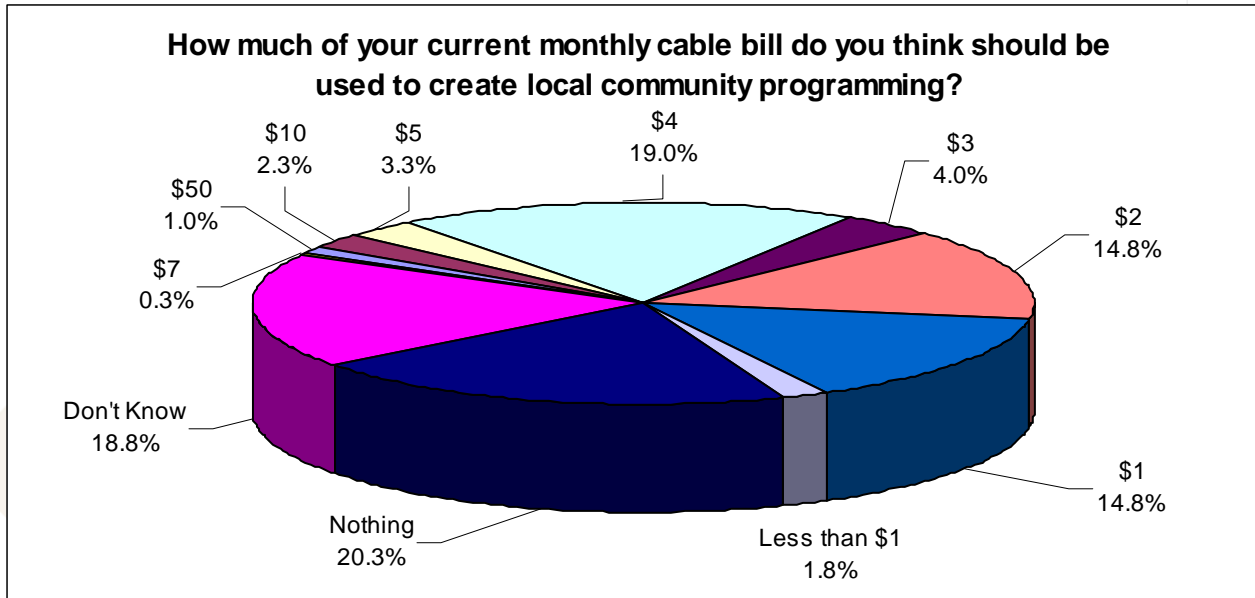
Local Content



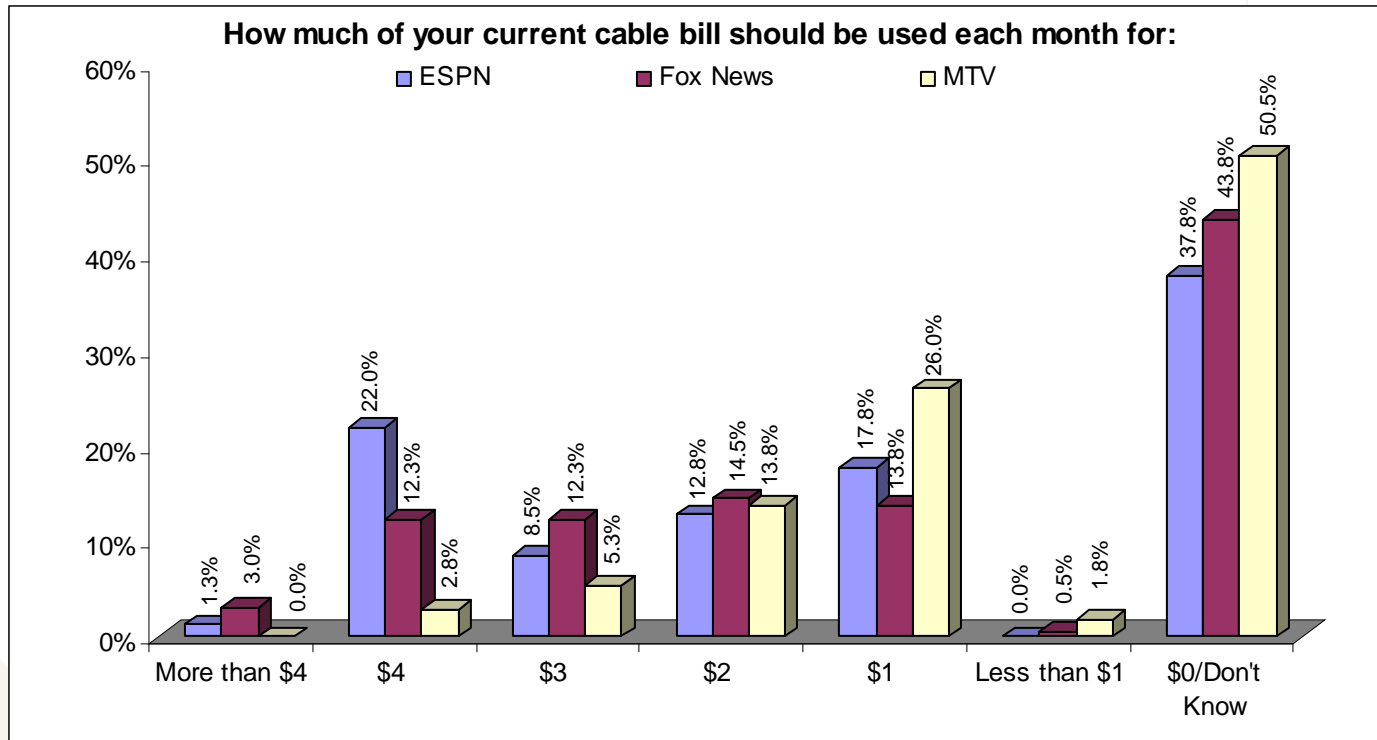
PEG Financial Support

- How much of monthly cable should go to support local cable TV programs?
 - 60% of subscribers believe that one dollar or more
 - 44% said two or more dollars.
 - The average of all responses was \$2.23 per month.
 - This average compares very favorably commercial channels tested
 - ESPN = \$1.69
 - Fox News = \$1.53
 - MTV = \$0.81
 - 78% of all subscribers said it is either “important” or “very important” to have local cable TV channels that feature
 - local community programming about events, organizations, individuals, schools and local government.

PEG Financial Support



PEG v. Commercial



PEG fees v. Franchise Fees

- City collects 5% of “gross revenues”
 - From both Cox and Qwest
 - Proceeds go into City’s general revenue fund
 - Both providers support PEG
 - Cox = in-kind support
 - Qwest = interconnect funds (\$\$ ear marked)
- In renewal City may seek PEG capital
 - This is \$\$ in addition to 5% franchise fee
 - Any PEG capital required under franchise
 - Must be designated for PEG capital expenditures

Needs Assessment Tasks

1. Review all franchise documents – over past 30 yrs
2. Review current PEG operations and facilities:
 - A. Administer questionnaire to staff/facilities prior to site visits
 - B. Make site visits to the facilities
 - C. Inspect and photograph equipment
 - D. Conduct in-depth interviews with staff at all facilities
3. Conduct three (3) Focus Groups:
 - A. Access producers – 36 participants
 - From Cox Public Access and Community Telecast, Inc. (CTI 22)
 - B. Community organizations - 27 participants
 - Nonprofits, arts, and neighborhood ass.
 - C. Government agencies - 25 participants
 - Managers and staff of agencies
4. Two (2) Public hearings held
5. Form conclusions and make recommendations

Possible Franchise Nonperformance

- Mobile Production Van
 - Cox was to maintain and upgrade mobile van
 - No evidence Cox was relieved of this obligation
- Training
 - Cox to provide workshops and training
 - Efforts to include aggressive promotion through newsletters, billboards, cross channeling and contacting previously and subsequently trained individuals
 - No evidence that Cox is providing required training
- Institutional Network
 - Franchise requires detailed Institutional Network
 - To include installation locations, number of drops per facility
 - No evidence Cox ever built I-Net in the City
 - I-Net = large \$\$ issue under franchise

PEG Equipment and Facilities Needs

- **NOTE:** The \$\$ amounts set forth below are only examples of equipment and facility needs identified during the needs assessment process - please refer to the Needs Assessment Report for specific recommendations.
- 1. Capital needs to establish Public Access production facility
 - \$844,065 includes
 - 2 studios, mobile production vehicle, editing and training equipment
 - Assumes a staff size of 10 to serve a city the size of Omaha
- 2. Capital needs to establish Government Access production facility
 - \$707,547 includes
 - Studio, mobile production vehicle, editing and training equipment and wired public meeting room
 - Assumes a staff size of four
- 3. Capital needs to supplement Omaha Public Schools production facility
 - \$93,568 includes
 - Studio upgrade, editing and training equipment
- 4. Capital needs to supplement UN-Omaha production facility
 - \$1,316,500 includes
 - Studio upgrade, field production, editing and training equipment
- 5. Capital needs to supplement CTI-22 facility
 - \$242,171 includes
 - Studio peripherals upgrade, editing and training equipment

Grand Total - \$3,203,851

End of Presentation

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