

VIA ELECTRONIC MAIL

May 17, 2023

Denver City Council 1437 Bannock St., Rm 451 Denver, CO 80202

Re: Renewal of the Cable Franchise Agreement between the City of Denver and Comcast of Colorado IX, LLC

Dear Councilmember:

We at Comcast of Colorado IX, LLC (locally known as "Comcast"), have appreciated the opportunity to serve the citizens of the City and County of Denver ("City") over the years and look forward to continuing our positive relationship in the future.

As you know, the City and Comcast have been engaged in conversations regarding the informal renewal of Comcast's Cable Franchise Agreement with the City for the past two years. The due diligence process and negotiation has been thorough, and we have been grateful for the regular meetings with City staff, and the various related briefings and conversations with you and/or other members of City Council throughout that time period. And we are now pleased to respectfully request your approval of the Franchise Agreement renewal when it comes before you in the next few weeks.

During the informal renewal negotiation and process the past two years City staff and the Comcast team have validated and reached agreement that the current Cable Franchise Agreement ("the Agreement") continues to satisfy the cable-related needs and interests of the City and its residents, and that a renewal of the Agreement under the same material terms and conditions for an additional five (5) years is warranted and in the best interest of both the City and Comcast. Multiple factors contributed to this decision.

THE FRANCHISE AGREEMENT AND ITS BENEFITS ARE COMPREHENSIVE

As you are aware, the current Agreement expires on December 31, 2023, and contains comprehensive provisions that provide significant financial benefit to the City. For example, the Franchise Fees paid to the City are at the maximum allowable percentage (5%) permitted by Federal law and the Public, Education and Government ("PEG") Access Fees paid to Denver are the highest of any community within the State of Colorado at \$1.05 per month per subscriber. Comcast and our customers have paid over \$85,000,000 to the City in combined Franchise Fees and PEG fees since the current Agreement took effect in 2013.

The Agreement also provides the City the most PEG Access channels (five Standard Definition channels and three High Definition channels) of any community within the State of Colorado. In addition to those significant financial and communications assets, the current Agreement contains extensive provisions addressing all other cable-related issues that can be addressed in a franchise agreement, including detailed governance of Comcast's use of the City's public rights-of-way, customer service standards, insurance requirements and performance assurances. In summary, Comcast's existing Agreement with the City remains modern, up-to-date, and continues to be "the" standard that other communities (in Colorado and beyond) look at as the "model" cable franchise agreement.

THE MULTI-YEAR RENEWAL DUE DILIGENCE PROCESS WAS EXTENSIVE

As we previously shared in our letter dated February 28, 2023, we spent the past two and a half years assisting the City with its due diligence process by submitting and reviewing various forms of performance evaluations, regular reviews and discussions of customer service information, while also submitting quarterly and annual financial records, all to ensure Comcast's compliance with the Agreement.

Most notably, in partnership with the City, we engaged the services of Keating Research, Inc. (https://keatingresearch.com/), one of Colorado's most well-respected polling and research firms, to complete a comprehensive ascertainment survey of the cable related needs and interests of the City's residents. The statistically valid live telephone survey (offered to respondents in either English or Spanish) of 400 Denver Comcast/Xfinity cable subscribers was completed at the end of March 2023, and contained some key findings relevant to the renewal of the Agreement. (*See* Exhibit A attached for the full survey overview memo):

- Key finding #1 shows that a two-thirds majority of customers are satisfied with their Comcast Xfinity cable TV service;
- Key finding #2 indicates that customers give strong ratings on the quality of the Cable TV picture and the reliability of their cable TV service;
- Key findings #3 and #4 show that a significant majority of customers are satisfied with the quality of customer service provided, and that customers are "extremely satisfied" with the available advanced cable TV services (e.g. On Demand, Voice Remote, Streaming services, and DVR service); and,
- Key findings #7 through #9 show that customers prioritize holding down future cable rate increases over other things like increasing the variety of programming or providing more sports programming.

COMCAST'S COMMITMENT TO DENVER GOES FAR BEYOND THE FRANCHISE

In addition to providing Cable TV service, Comcast is committed to its digital equity efforts serving all citizens of Denver by investing in the community. As you know, we do this in a significant number of ways. For example, Comcast is deeply invested in a comprehensive initiative to advance digital equity and help build a future of unlimited possibilities via its national \$1 billion commitment entitled "Project Up" (learn more at Project UP (comcast.com)).

For Denver during COVID, that commitment resulted in us working closely with City staff to identify the best locations in the City for Comcast's Lift Zone initiative (learn more about Comcast Lift Zones at Comcast Exceeds Goal of Launching 1,250 Lift Zones in 2022). As part of that collaboration, Comcast launched Lift Zone partnerships at 32 community centers across the City and County of Denver to provide free wifi access for residents in neighborhood community centers throughout the City, and are even providing temporary wifi services for the City's migrant shelter to help the City manage the migrant crisis. Furthermore, our commitment to community also extends to our Denver nonprofit partners as we provided \$342,000 in grants 2022. (see Exhibit B attached).

For the reasons discussed herein, we are pleased to extend Comcast's partnership with the City by renewing our Franchise Agreement for an additional five years. We respectfully request your approval of the renewed Agreement.

Sincerely,

Jeff Dolan

Vice President of External Affairs

Comcast

cc: Jenny Schiavone, Chief Digital Officer, City and County of Denver

David Edinger, Technology Services Chief Information Officer, City and County of

Denver

Jeannine Shaw, Legislative Director, City and County of Denver

Attachments:

Exhibit A

Exhibit B