

907. CABLE FRANCHISE: LOCAL PEG PROGRAMMING

907.010 NUMBER OF PEG CHANNELS

(a) Upon the Effective Date of this Franchise, Grantee will make available a minimum of four (4) PEG Channels in addition to channels required by the State of Minnesota, such as regional channel 6. Throughout the term of this Franchise, Grantee shall provide the PEG Channels on the Basic Cable Service tier or such other most subscribed tier of Cable Service (within the Franchise Area) as may be offered by Grantee in accordance with Applicable Law.

(b) For purposes of this Franchise, a high definition (“HD”) format or signal refers to a PEG signal delivered by Grantee to subscribers in a resolution that is either: (i) the same as received by Grantee from City or the entity from which Grantee received the PEG signal, or (ii) the highest resolution used for the delivery of the primary signals of local broadcast stations, if lower than the level described in subparagraph (b)(i). .

907.020 HD PEG CHANNELS

(a) No later than one year after the Effective Date of this Franchise, and upon 90 days written notice to Grantee, Grantee shall provide four (4) HD PEG Channels that are simulcasted in Standard Definition (“SD”) until SD is no longer offered. At the Commission’s discretion, two of the four PEG Channels may be narrowcast channels. At any time 24 months after Effective Date of this Franchise, the Commission may require additional Channels if it satisfies the standards set out in Minn. Stat. § 238.084. The parties agree that PEG funding may be used to support streaming of PEG programming, provided the Commission or City does not permit PEG funding to be used for operational expenses except as permitted by law. Grantee may propose dedicated streaming options as an alternative to the additional linear channels.

(b) The City acknowledges that receipt of an HD format PEG Channel may require Subscribers to buy or lease special equipment or pay additional HD charges applicable to all HD services.

(c) The Commission shall pay for and be responsible for all HD playback servers to be located at 2460 East County Road F, Suite A, White Bear Lake, MN 55110 (“Playback Facility”). Grantee agrees that it shall be responsible for costs associated with the provision of encoders or other equipment necessary to receive HD/SD signals at the headend, and to convert PEG HD signals to SD consistent with the historic practice between the parties.

907.030 CONTROL OF PEG CHANNELS

The control and administration of the PEG Channels shall rest with the City. The City may delegate, from time to time over the term of this Franchise, such control and administration to various entities as determined in City’s sole discretion. As of the Effective Date of this Franchise the City has delegated control of the PEG Channels to the Commission.

907.040 TRANSMISSION OF PEG CHANNELS

PEG Channels may be used for transmission of non- video signals in compliance with Applicable Laws. This may include downstream transmission of data using a protocol such as TCP/IP or current industry standards. Should Grantee develop the capability to provide bi-directional data transmission, spectrum capacity shall be sufficient to allow Subscribers to transmit data to PEG facilities.

907.050 PEG CHANNEL LOCATIONS

(a) Grantee shall continue cablecasting PEG programming on the Cable System on the same Channel locations as such programming is cablecast within the City as of the Effective Date. Current SD PEG Channel locations as of the Effective Date as well as the location of the four (4) HD PEG Channels to be provided under Section 907.020 are listed on Exhibit C. Grantee agrees not to change these PEG Channel locations more than two (2) times during the term of this Franchise unless required by law for other programmers with specific Channel number rights or pursuant to an overall Channel reorganization of the entire Channel lineup. In no event shall any PEG Channel relocations be made prior to ninety (90) days written notice to the City by Grantee, except for circumstances beyond Grantee's control. If relocated, Grantee will work in good faith with the City to identify new Channel locations such that the PEG Channels will be located within reasonable proximity to other broadcast or news Channels where available Channel numbers allow.

(b) Grantee agrees not to encrypt the PEG Channels differently than other commercial Channels available on the Cable System.

(c) In the event Grantee requires relocation of a PEG Channel pursuant to Section 907.050(a), Grantee shall provide a rebranding reimbursement grant of One Thousand Five Hundred and No/100 Dollars (\$1,500) per relocated Channel.

907.060 NAVIGATION TO PEG CHANNELS AND ELECTRONIC PROGRAMMING GUIDE

Grantee agrees that if it utilizes any navigation interfaces, the PEG Channels shall be treated in a nondiscriminatory fashion consistent with Applicable Laws so that Subscribers will have ready access to PEG Channels. Grantee will maintain the existing ability of the City to place PEG Channel programming information on the interactive Channel guide via the electronic programming guide ("EPG") vendor ("EPG provider") that Grantee utilizes to provide the guide service. PEG Channel programming provided by the City shall appear on the EPG for each channel carried in all Member Cities. Grantee will be responsible for providing the designations and instructions necessary for the PEG Channels to appear on the EPG. Each programming stream will not be individually listed for narrowcast channels unless technically feasible. All costs and operational requirements of the EPG provider shall be the responsibility of the City. City acknowledges that the EPG may not be technically possible for all PEG programming, and that Grantee is not responsible for operations of the EPG provider.

907.070 OWNERSHIP OF PEG CHANNELS

Grantee does not relinquish its ownership of or ultimate right of control over a Channel by designating it for PEG use. A PEG access user – whether an individual, education or government user – acquires no property or other interest by virtue of the use of a Channel position so designated. Grantee shall not exercise editorial control over any public, education, or government use of a Channel position, except Grantee may refuse to transmit any public access program or portion of a public access program that contains obscenity, indecency, or nudity in violation of Applicable Law.

907.080 PEG MONITORING

Grantee shall continue to provide the capability, without charge, for Commission representatives at the Member City locations and the Commission's master control facility listed in Exhibit D, to monitor and verify the audio and visual quality of PEG Channels received by Subscribers as well as the existing connections and equipment at the Commission's master control facility. This will include equipment comparable to that deployed to residential cable Subscribers that will allow the Commission to verify the accuracy of EPG listings for the PEG Channels consistent with what is currently provided. Grantee shall also maintain one (1) feed to the Commission office to provide the ability to monitor Subscriber services and address Subscriber concerns which feed shall include all cable boxes and platforms (i.e., Xfinity X1).

907.090 PEG TRANSPORT

During the term of this Franchise, Grantee will provide PEG transport as follows:

(a) The Commission may transmit signals for the PEG Channels in "real time" upstream from the nine (9) locations listed in Exhibit D to the Commission's playback facility currently located at 2460 East County Road F Suite A, White Bear Lake, MN 55110 ("Playback Facility") to Grantee's hub and headend using existing fiber connections without additional charge or offsets from Grantee. Grantee shall continue to provide without charge or offsets, fiber backhaul and transmitter/receiver equipment for PEG programming as is the practice on the Effective Date of this Franchise. The Commission must be able to simultaneously program all PEG channels with signals originating from a central playback facility, designated by the Commission, and from the nine (9) remote locations specified in Exhibit D. Each connection shall be bidirectional and satisfy the requirements of this Section.

(b) Grantee may invoice the Commission for any actual, incremental cost of maintenance, and agrees to cap any return line maintenance charges at \$10,000 per year for the nine (9) permanent return line sites. This will allow the Commission to continue cablecasting PEG programming from the locations listed in Exhibit D and maintain connections from the Commission's master control to Grantee's hub and headend without additional charge or offsets. Grantee will replace PEG transport fiber for the nine (9) sites if any such fiber is destroyed or if the Cable System has moved. If one of the nine (9) sites moves, Grantee is required by this Franchise to serve that new location at its cost if no new fiber construction in the Street is required to serve that new location. If one of the nine (9) sites moves and new fiber construction in the Street is required to serve that new location, Grantee may require the City to reimburse Grantee for reasonable construction costs as a condition to serving that new location. Grantee

shall also make any capital improvements required to maintain upstream transmission without significant deterioration at no cost. Should a member of the Commission choose to depart from the Commission, the Commission may terminate the obligation to maintain any return line from the departing community, in which case, the fees for maintenance will be reduced proportionately.

(c) For all of the PEG origination points identified in Exhibit E, Grantee must either provide permanent fiber connections for PEG transport to replace the coaxial connections, or it may provide for an alternative solution acceptable to the Commission. As an alternative solution acceptable to the Commission, the parties agree to the following: All PEG origination points identified on Exhibit E will be served by a portable cable-modem solution for transport of PEG programming. The cable modem service shall include all the equipment needed to use Comcast's business class internet service. The Commission shall be responsible for renting necessary modems from Comcast, and providing encoders, decoders, or similar devices. In the event that Commission equipment causes interference with the Grantee's delivery of Cable Service, the source of the interference shall be removed and the parties will cooperate to determine and rectify the cause of the interference. If the Commission requests that a new site be added to Exhibit E, Grantee will provide the portable cable modem connection to the subscriber network if technologically and economically feasible. In connection with the use of cable modems or substitute equipment under this paragraph:

(i) Grantee will provide to Commission, and the Commission shall be responsible for purchasing, a subscription to a Comcast Business Class Internet account including cable modem (or an equivalent commercial broadband service however named by Grantee in the future) at a price per account per year equivalent to the lowest price at which Grantee offers the closest equivalent service on a commercial basis. The Commission may determine the number of accounts with cable modems to purchase and may add or terminate use of all or any of the accounts at any time without penalty or additional charge.

(ii) The Commission shall, at its expense, provide any necessary encoders, decoders or similar devices and shall configure equipment and connections so that signals can be transmitted to the Playback Facility. Grantee does not sell and is not required to provide such devices.

(iii) Grantee may request that the Commission remove an encoder, or similar device if it technically interferes with Grantee's delivery of Cable Service.

PEG transport, however provided, shall be reliable and permit continuous programming of a quality such that the Commission may deliver to Comcast signals equivalent or better in quality to the PEG signals that Comcast may be required to deliver to subscribers.

Grantee shall continue to make the metro area fiber ring known as the PRISMA Ring available to the City, without charge, as long as the PRISMA Ring remains serviceable. The City may use the PRISMA Ring (or its equivalent) to send and receive live and recorded programming to/from other Twin Cities PEG stations for as long as the network remains viable. Grantee shall provide City access to the PRISMA Ring at an agreed upon demarcation point. Grantee will provide use of and maintain the PRISMA Ring without charge, but Grantee will not be obligated to replace network equipment on the PRISMA Ring or for any equipment on the City's side of the demarcation point. Grantee agrees to continue to provide, without charge or offsets, use of Grantee's Converged Regional Area Network (C- RAN) for delivery of live and recorded programming to and from the entities listed on Exhibit F limited to six (6) multi-cast IP Channels. This obligation shall terminate if Grantee no longer utilizes the C-RAN for its own business purposes. Grantee shall have no obligation to replace any network equipment currently located in its headend facility or at the City or Commission facility necessary to deliver or receive such programming over the C-RAN. Replacement of any decoding equipment necessary to receive the programming via the C-RAN will be the responsibility of the City and will require Grantee's approval to ensure equipment compatibility. If there are incremental equipment and maintenance costs specific to the PEG use of the C-RAN, Grantee will notify the City of such costs and allow the City the option of reimbursing Grantee for such costs or to cease using the C-RAN. Grantee shall not be responsible for providing a specific performance level over the C-RAN or resolving any transmission issues caused by incompatibility of audio or video file formats with interconnected equipment.

907.110 FUTURE PEG TRANSPORT

At such time that the City determines:

- (a) that the City desires the capacity to allow Subscribers in the City to receive PEG programming (video or character generated) which may originate from schools, City facilities, other government facilities or other designated facilities (other than those indicated in paragraph 907.090); or
- (b) that the City desires to establish or change a location from which PEG programming is originated; or
- (c) that the City desires to upgrade the connection to Grantee from an existing signal point of origination,

the City will give Grantee written notice detailing the point of origination and the capability sought by the City. After receipt of such notice by Grantee, Grantee and the City may enter into an agreement which compensates Grantee in accordance with Applicable Law, for new sites added or upgraded connections. After such an agreement has been executed, Grantee will implement any necessary Cable System changes within a reasonable period of time. Nothing herein prevents the City, or a private contractor retained by the City, from constructing said connection, as long as such connection does not interconnect with Grantee's Cable System without Grantee's consent or interfere with Grantee's Cable System.

907.120 PEG CHANNEL CARRIAGE

(a) The City or its designee shall be responsible for developing, implementing, interpreting and enforcing rules for PEG Channel use.

(b) The Grantee shall monitor the PEG Channels for technical quality to ensure that they meet FCC technical standards including those applicable to the carriage of PEG Channels, provided however, that the Grantee is not responsible for the production quality of PEG programming productions. The City, or its designee, shall be responsible for the production and quality of all PEG programming. Grantee shall carry all components of the SD/HD PEG Channel(s) including, but not limited to, closed captioning, stereo audio and other elements associated with the programming.

907.130 PEG PROGRAMMING FINANCIAL SUPPORT

- (a) In accordance with the schedule below, during the term of the Franchise, Grantee shall pay quarterly to the Commission a public, educational, and governmental programming capital support fee (herein the “PEG Fee”) in an amount equal to the following percentages of its quarterly Gross Revenues:

Beginning April 1, 2021 (expected effective date of renewed franchise)	3.25% of gross revenue
Beginning April 1, 2022	3% of gross revenue
Beginning April 1, 2023 through remaining term of franchise, which will end on April 1, 2031.	2.75% of gross revenue

Payments pursuant to this subsection shall be paid to the Commission on the same schedule and including the same payment worksheets as the Franchise Fee payments set forth in Section 916.010(a-c) of this Franchise.

(b) The PEG Fee may be used by City and Commission to fund PEG expenditures in accordance with Applicable Law. Grantee agrees not to contest the internal accounting treatment (whether operating or capital support) of the Commission’s use of PEG funding for the purchase of cable modem services (as described in Section 907.090(c) or dark fiber institutional network services (as described in Exhibit B) from Grantee on the basis that this reflects a compromise of the Commission’s claim that it could request permanent facilities that would qualify as capital if not for these alternative solutions.

(c) The PEG Fee is not part of the Franchise Fee and instead falls within one or more of the exceptions in 47 U.S.C. § 542, unless the PEG Fee is used by City or Commission in violation of Applicable Law. The PEG Fee may be categorized, itemized, and passed through to Subscribers as permissible, in accordance with 47 U.S.C. § 542 or other Applicable Laws.

(d) After December 31, 2021, Grantee is no longer responsible for lease payments for the Commission’s PEG facilities (including studio, administrative, and business office space), and the Commission shall assume sole responsibility for the lease of its PEG facilities (including studio, administrative, and business office space).

(a) Grantee shall not be required to carry a PEG Channel in a higher quality format than that of the Channel signal delivered to Grantee, but Grantee shall not implement a change in the method of delivery of PEG Channels that results in a material degradation of signal quality or impairment of viewer reception of PEG Channels, provided that this requirement shall not prohibit Grantee from implementing new technologies also utilized for commercial Channels carried on its Cable System. Grantee shall meet FCC signal quality standards when offering PEG Channels on its Cable System and shall continue to comply with closed captioning pass-through requirements. There shall be no significant deterioration in a PEG Channel signal from the point of origination upstream to the point of reception (hub or headend) or downstream to the Subscriber on the Cable System.

(b) Grantee shall provide a local (Twin Cities) response phone number, cell number, and e-mail address for local (Twin Cities) technical support staff who are trained to effectively respond to and resolve PEG related issues. For urgent issues (such as signal problems during live programs) the Grantee will respond as soon as possible. For non-urgent tech support requests the Grantee will respond within three (3) hours or forty-eight (48) hours, depending upon the response time needed. Commission technical staff will determine what requests are urgent or non-urgent. The Commission agrees to use best efforts to verify that the issue is not on the Commission's side of the demarcation point before a call is made to Grantee.

(c) Grantee agrees to continue its practice of providing to the Commission two (2) satellite feeds identified on Exhibit G from Grantee's headend facility and/or hub site locations directly to the Commission's Playback Facility without charge to Commission. The Commission shall be responsible for obtaining any necessary carriage and license agreements for the programming aired on its PEG Channels to the extent the content providers require such agreements. The Commission shall pay any license fees, copyright fees and other costs of the programming provider. If Grantee receives a demand to cease and desist from providing any programming content to the Commission under this Section or the source of the programming ceases to operate, Grantee may terminate such programming immediately without prior notice, but will provide notice that such programming has been terminated as soon as possible. If Grantee ceases to maintain the satellite reception facility through which the programming is received, Grantee will give the Commission sixty (60) Days prior notice of the discontinuation to allow the Commission to obtain the programming from another source.

In the event Grantee makes any change in the Cable System and related equipment and facilities or in its signal delivery technology, which requires the City to obtain new equipment in order to be compatible with such change for purposes of transport and delivery of the PEG Channels, Grantee shall, at its own expense and without charge to the City or its designated entities, purchase such equipment as may be necessary to facilitate the cablecasting of the PEG Channels in accordance with the requirements of the Franchise.

907.160 RELOCATION OF GRANTEE'S HEADEND

In the event Grantee relocates its headend, Grantee will be responsible for replacing or restoring the existing dedicated fiber connections at Grantee's cost so that all functions and capacity remain available, operate reliably and satisfy all applicable technical standards and related obligations of the Franchise without charge to the City or its designated entities.

907.170 REGIONAL CHANNEL SIX

Grantee shall make available Regional Channel Six as long as it is required to do so by Applicable Law.

907.180 COMPLIANCE WITH MINNESOTA STATUTES CHAPTER 238

In addition to the requirements contained in this Section 7 of this Franchise, Grantee and City shall comply with the PEG requirements mandated by Minn. Stat. § 238.084.