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We Broadcast the Community!™

Community Telecast, Inc. (CTI22), [IRS 501 (c)(3)] has been the only broadcast cable television company in the metro Omaha area and within 18 states to focus on the community. For our general operations we receive NO tax support from the federal government, State of Nebraska, City of Omaha, or Franchise Fees from the cable provider. We are supported only through membership fees and donations.

2012 FRANCHISE AGREEMENT ACCESSMENT

	PROPOSED	OBSERVATION / RECOMMENDATION
1.	PEG operations stay the same for the next 6 months, but after that time Cox will not administer PEG and PEG programming decisions will rest entirely with the City.	<p>OBSERVATION: Cox provides absolutely no discernable value (programmatic, technical, financial, political, or social support) in any aspect of any operations of Community Telecast, Inc. <u>Cox functions only as an operating cost to CTI22.</u></p> <p>RECOMMENDATION: Immediately sever Cox's responsibility for PEG administration.</p>
2.	Only 3 channels will be available for PEG and channels 18, 22, and 109 will be the only designated PEG channels. Channel 17 will no longer be available for PEG programming.	<p>OBSERVATION: Viewership and access to current and proposed program producers diminished with the movement of public access content from lower-tier Channel 23 to cable-box-required Channel 109.</p> <p>As proposed by CTI22 and submitted to Omaha City Council members on January 16, 2012, Public Access Channel 109 should revert to Cox's complete discretionary control, and Channel 109 will no longer be managed or operated by Cox Communications.</p> <p>RECOMMENDATION:</p> <p>EXHIBIT B – Public, Educational and Governmental Access</p> <p>Proposed:</p> <p>3. Transition Period. All broadcast content on Channel 109 will be relocated to CTI22 for possible placement; and the current replacement value of all equipment and all other budgetary expenses, including employee salaries and benefits, that are currently expensed by Cox to operate Channel 109 at 11505 West Dodge Road, Omaha, NE, will be paid to CTI22 as a flat, one-time cash disbursement. At the discretion of Cox, its employees assigned to Channel 109 will be eliminated as a reduction-in-force, or reassigned by Cox to other areas within Cox.</p>
3.	<p>The consortia are free to continue to exist as organized groups of programmers but it will be determined in the future if they have any special privileges or allocations.</p> <ul style="list-style-type: none"> ■ The contract will no longer recognize consortia and your consortia that have held some channel allocation rights in the past will no longer have rights arising from the City's 	<p>OBSERVATION: The “consortia” or PEG channels represent the Citizens of Omaha, and as administered through the City of Omaha, the Citizens of Omaha have always held and never relinquished any “special privileges or allocations.” It is the Citizens of Omaha, as administered through the City of Omaha, who have granted Cox with access to public property, easement, and rights-of-way.</p>

	<p>contract with Cox.</p> <ul style="list-style-type: none"> ■ Allocation of the channels will be made by the City or an organization to which the City delegates that authority. Whether the current channel 109 programming stays there or moves to an analog channel will be part of that future discussion. 	<p>Accordingly, to the extent not prohibited by state and federal law, the Citizens of Omaha should have priority in the assignment of channel allocation rights in order to effectively promote the public interest. Further, as clearly stated in the Franchise Agreement:</p> <p><i>WHEREAS, the City intends to exercise the full scope of its municipal powers to the extent not prohibited by state and federal law, including both its police power and contracting authority, to promote the public interest and to protect the health, safety and welfare of the citizens of the City;</i></p> <p>RECOMMENDATION: EXHIBIT B – Public, Educational and Governmental Access</p> <p>Current:</p> <ol style="list-style-type: none"> 1. Number of PEG Channels. Upon the Effective Date of the Agreement, the Company shall provide to the City four (4) Channels on the Basic Service tier for dedicated noncommercial PEG access programming. <p>Proposed:</p> <ol style="list-style-type: none"> 1. Number of PEG Channels. Upon the Effective Date of the Agreement, the Company shall provide to the City four (4) Channels on the Basic Service tier for dedicated noncommercial PEG access programming, with Channel 18 and Channel 22 allocated to the Knowledge Network, and to Community Telecast, Inc., respectively, for the duration of this Agreement. 4. Return of One Analog PEG Channel and One Digital format channel. At the end of the six (6) month transition period, Company may program Channel 17 and Channel 109 at its sole discretion and they shall no longer be designated as PEG Channels. 8. PEG Channel Locations. DELETE THIS ENTIRE SECTION, THEN RE-NUMBER REMAINING SECTIONS. 12. Dedicated Fiber Return Lines. 4. CTI – 22 facility location, TO-BE-DETERMINED.
<p>4.</p>	<p>Whether administration is done by the City or by an organization accountable to the City is still to be decided in the next 6 months.</p>	<p>OBSERVATION: In a political environment that chastises more and “bigger” government, the creation of yet another governmental “review board” or “agency” is <u>poorly conceived</u>, particularly when funding for such an agency has NOT been defined and validated with strategic business objectives and outcomes. Notably, both the Knowledge Network and CTI22 have their own Boards for administration; and as with CTAC, the creation of another level of administration is superfluous, redundant, and again, unnecessary. Where’s the due diligence?</p> <ol style="list-style-type: none"> a. How exactly is the City of Omaha to pay for the creation and on-going operation of this “agency?”

		<ul style="list-style-type: none"> b. What specific kinds of jobs are to be created for this agency, and why? c. As with the CTAC Board, is this yet another event of political patronage – with incumbents who do NOT wield actual subject matter expertise in the design, operation and management of a PEG broadcast entity? d. What and how exactly is this “agency” actually going to “help” CTI22 and the Knowledge Network (what are the duties and responsibilities, essential job functions, job standards, strategic business objectives, etc.)? e. If outsourced to a third-party, why and who actually makes this decision, and what specific criteria will be used? f. How exactly is the City of Omaha going to validate the ROI in creating this “agency,” or by outsourcing the expense for creating this agency? <p>RECOMMENDATION: The PEG Channels, specifically the Knowledge Network and Community Telecast, Inc. shall be self-administered.</p>
<p>5.</p>	<p>In exchange for Cox receiving control over channel 17, Cox commits to providing \$2 million in funding for PEG programming paid over 8 years with \$500,000 paid between now and the middle of 2013. The City will use that funding to create a new PEG studio and create the new PEG administration system.</p>	<p>OBSERVATION: Cox should <u>not</u> provide any compensation to the City of Omaha toward PEG programming.</p> <ul style="list-style-type: none"> a. The Knowledge Network (each of its members can access their own tax-base for funding), and as CTI22 has demonstrated, they should be held to pay-their-own-way. b. As consistently stated, CTI22 is against any tax-based support for its operations. Equally important, as documented in our May 10, 2011 report to the Omaha City Council, in the absence of Cox’s unethical, negligent, and racist business practices, CTI22 will prosper similar to the peer PEGs identified in our report. Additionally, CTI22 believes payment of modest broadcast subscription fees provides citizens of Omaha with an appropriate sense of ownership in the actual production, broadcast, and support of community access television. c. There is absolutely no guarantee Cox and the City of Omaha will abide by the Franchise Agreement for ten years; and based on past practices, Cox’s financial commitment will likely be reduced or eliminated. Notably, Cox is only providing financial support for 8 years. Given our extremely volatile economy, and the likelihood of on-going financial austerity, financial support from Cox is either disingenuous or without fidelity. d. CTI22 is an independent IRS 501 (c)(3) business entity. Notably, the City of Omaha has

consistently eschewed any responsibility for being perceived as "landlord" of a PEG broadcast entity; and to assume this role which is currently performed by Cox in its administration of Channel 109 will ultimately produce the same result - that the City of Omaha will eventually seek (due to politics or budget shortfalls) to sever responsibility for administration of the PEGs.

- e. **Relocation of the CTI22 broadcast facility is absolutely necessary because:** (1) the current facility is poorly managed and maintained; (2) the current location is in an area of urban blight and perceived as unsafe to non-minorities, and with Cox's help, non-minorities perceive CTI22's broadcast content is restricted to minorities; (3) to provide greater access and convenience to all Citizens of Omaha; and (4) in response to Cox's on-going failure to provide quality service. Consequently, CTI22 must pursue, at its expense, relocation to a location more centrally located. However, as referenced by Deputy City Attorney Thomas Mumgaard's email of Apr 27, 2012, at 11:27 AM, both the City of Omaha and Cox Communications have refused to acknowledge or respond to our inquires in this regard.

Mumgaard's email of Apr 27, 2012, at 11:27 AM to Trip Reynolds: *The City has not and will not take any steps to address perceived inequities in the current system while negotiations for renewing the Cox contract are pending.*

Reynolds' response of April 30, 2012 4:34:34 PM CDT: *On Dec 14, 2011, at 9:35 AM, Mumgaard, Thomas, wrote to Trip Reynolds, "If inequities or substandard service exist, the City will work with CTI to correct them." Reynolds' responded: Why is CTI22 being held responsible for adhering to the existing Agreement, but both the City of Omaha and Cox can abdicate their responsibility?*

RECOMMENDATION: Within thirty-(30) days of an executed Franchise Agreement, **and as originally submitted to John Barrett at Cox on Tuesday, December 14, 2010 3:07 AM,** that Cox respond to CTI22's request to relocate into a facility that is convenient to an existing fiber optic hub within the central business district (CBD - zip codes 68131, 68132, 68105, and 68106) that is within a one-(1) block radius of an existing fiber optic hub. To reduce relocation expenses CTI22 will pay to Cox, CTI22 needs to identify properties that exist in closet proximity to one of Cox's existing fiber optic hubs.

14. PEG Capital Grant. DELETE THIS ENTIRE SECTION.