

**Arthur I. Zygielbaum
6601 Pinecrest Dr.
Lincoln, NE 68516 USA**

October 31, 2019

The Honorable Leirion Gaylor Baird
555 South 10th St.
Lincoln, NE 68508

Dear Mayor Baird,

The City of Lincoln Telecommunications/Cable Television Advisory Board has completed its 2018-2019 Cable Television and Broadband Performance Evaluation. As authorized by the City's cable TV franchises, the Board is allowed to execute a Performance Evaluation no more frequently than annually. Because of our expanded charter to advise the City on telecommunications, we expanded this study to include our franchisees' Broadband service.

With the guidance and support of Steve Huggenberger and Diane Gonzolas, the Board conducted a scientific survey of City residents, submitted specific questions to the franchisees, held a public hearing, and solicited emailed and paper mailed comments from citizens. The results are contained in the enclosed report. The appendices to the report comprise 429 pages and will be provided electronically.

Overall, we were quite pleased with the improvement in cable TV services since our last evaluation in 2014. We received relatively few complaints from citizens during the current study. For the most part, Lincoln's cable TV and Broadband subscribers are largely satisfied with the service they are receiving and in having three franchisees to choose amongst. We commend the City, City staff, and cable TV franchisees for significantly improving the level of cable TV service available to Lincoln since our last evaluation.

There are issues and opportunities to be considered, however.

Among our three cable TV franchisees, Allo and Windstream received high satisfaction and low dissatisfaction ratings in our survey. Charter/Spectrum, however, received ratings that were relatively poorer – in comparison to the other franchisees and to providers in similarly sized municipalities. Also, all three franchisees failed to meet one or both of the FCC standards on customer phone call response.

We were pleased to receive evidence that our City's Public, Education, and Government (PEG) channels were highly valued by our citizens. Viewership ratings for LNKTV, for example, topped the ratings for many commercial channels. The City can take pride in the quality of support and skill in development evidenced by these observations.

Following a national trend, there is evidence that many people are considering "cable cutting" or "cord cutting". This refers to people dropping cable TV subscriptions and switching to receiving video content over the air and/or via Internet video streaming. The national trend is that a net 2% of subscribers drop their cable TV subscriptions each year. This raises a concern that in the long term cable TV franchises will become irrelevant and that the City will lose its current ability to control and appropriately charge for use of the City's right-of-way without having Broadband franchises negotiated with all such providers. The franchise has provided a powerful tool to ensure that the City meets its obligations to our partners. It also provides a means to influence the quality of services provided, and to a much lesser extent, the cost of such services.

Arthur I. Zygielbaum
6601 Pinecrest Dr.
Lincoln, NE 68516 USA

Based on our analysis, we developed seven recommendations. They are summarized here. Please refer to the report's Findings and Recommendations sections for more detail.

Recommendation 1. All franchisees need to improve their customer service telephone response performance.

Recommendation 2. The Board would like to have better periodic reporting of customer complaints, solution response times, and identification of major issues from the City's franchisees.

Recommendation 3. Charter/Spectrum needs to address the relatively high level of dissatisfaction with their service.

Recommendation 4. The PEG channels need continuing support by the City and franchisees. Technological upgrades including those needed to support "cable cutting" viewers are needed.

Recommendation 5. Charter/Spectrum and the City must work to increase awareness of PEG channels among Charter/Spectrum customers.

Recommendation 6. The City needs to better advertise the availability of LNKTv online via the Internet.

Recommendation 7. Because "cable cutting" is a real phenomenon, because it impacts the purpose and value of cable TV franchisees, and because Broadband is becoming the primary means of information exchange in our society, the City is encouraged to explore alternative franchise agreements or other contractual arrangements. Such agreements would help the City meet the needs of its citizens in addressing issues such as net neutrality. We suggest that the Board form a subcommittee in concert with City staff to examine this issue and make recommendations to the full Board and the City within the next year.

We would like to express our appreciation for the strong support we received from City staff. In particular Steve Huggenberger and Diane Gonzolas provided needed guidance, background information, and much hard work to enable us to complete this effort.

The Board and I are available to answer questions or provide additional information as needed.

Respectfully,



Arthur I. Zygielbaum, Ph.D.
Chair
City of Lincoln Telecommunications/Cable Television Advisory Board