



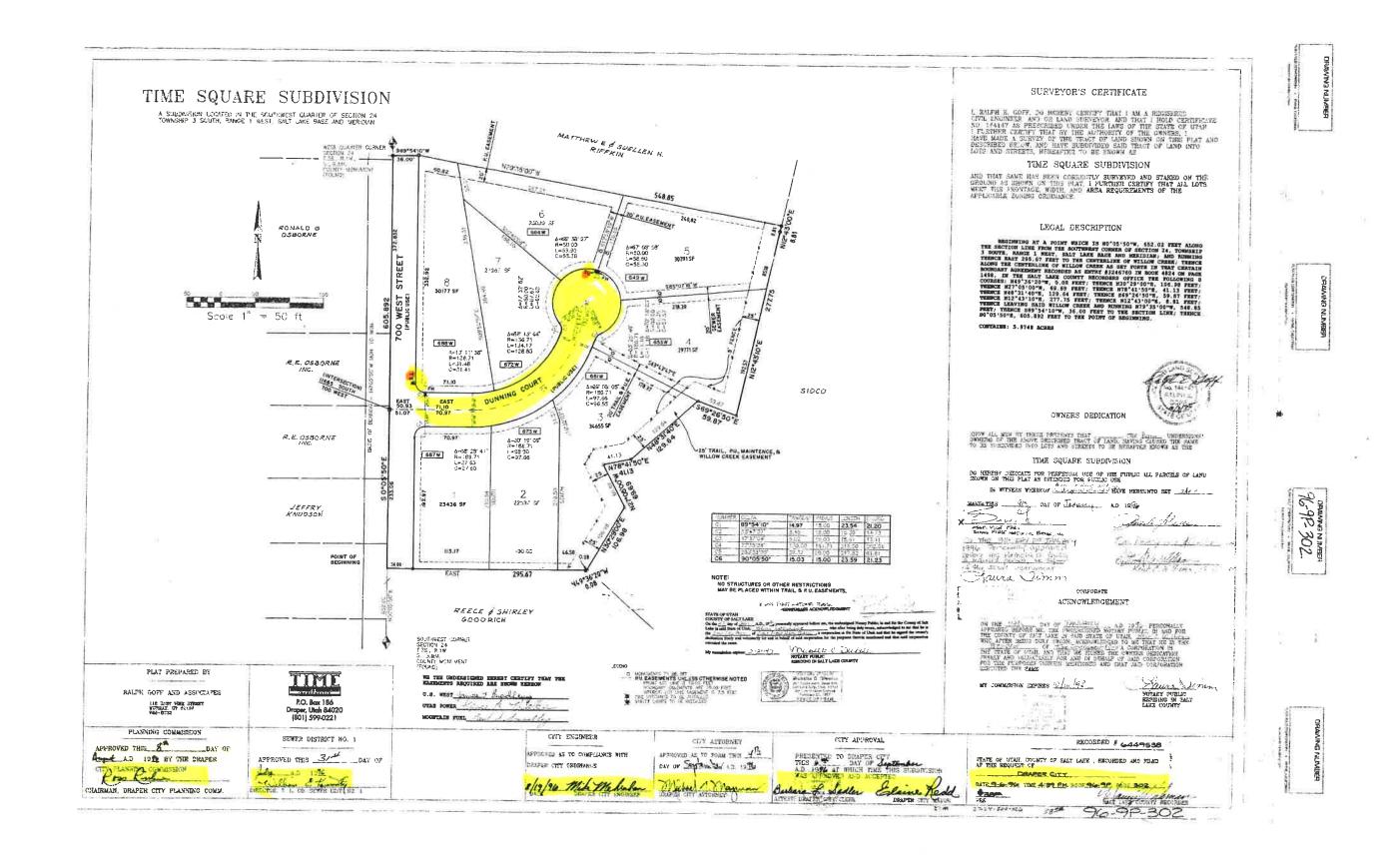
## Push to Survivel

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Via Email

August 17, 2015

Mayor Walker and Draper City Council Members 1020 E. Pioneer Rd Draper, UT 84020

Dear Mayor Walker and Council Members:

CenturyLink truly appreciates the City placing the cable franchise between Qwest Broadband Services, Inc. d/b/a CenturyLink (CenturyLink) and the City of Draper on its August 18, 2014 Agenda. CenturyLink is hopeful that the Council will move forward in approving the agreement without change; any further delay in implementing the agreement could eliminate, or certainly delay the benefits of competition for the City and its residents.

The 30 year incumbent monopoly cable provider claims it "welcomes" competition. However, the welcome mat is out only if the City places unnecessary, and potentially unlawful, restrictions on CenturyLink's franchise. In its letter dated August 14, 2015, Comcast attempts to give the Council the impression that a build out requirement is required by federal law, and this simply is not the case. <sup>1</sup> Comcast's assertions ignore the following essential facts:

- City Staff negotiated a fair, appropriate and nondiscriminatory agreement with CenturyLink
  through an arm's length process motivated by a desire to bring meaningful, facilities based video
  competition to the City and its residents.
- Comcast, the monopoly provider, interjected itself in the process to delay, confuse, and create barriers for CenturyLink to enter the market.
- Any additional requirements could delay and/or act as a barrier to entry. During negotiations, the
  parties agreed that a build requirement should not be included. A build requirement in Draper is
  unnecessary, and would act as a barrier to entry.
- Residents should not be deprived of the benefits of competition.
- CenturyLink will make a substantial investment in the region to deliver a new digital TV platform and increased broadband speeds. Increased investment and broader deployment of high speed internet services will contribute to economic development.
- Other local jurisdictions have approved franchises for CenturyLink with very similar conditions
  as that presented in the franchise agreement currently up for approval in Draper. The local
  jurisdictions that have already approved a CenturyLink franchise without a build requirement
  include Salt Lake County, Salt Lake City, South Jordan, and West Jordan. In some of these cases
  Comcast also tried to delay and/or create barriers to entry by making all of the same arguments as
  it set forth in its August 14, 1015 letter to Mayor Walker.

<sup>&</sup>lt;sup>1</sup> See, FCC Report and Order, FCC 06-180, March 5, 2007 (hereinafter referred to as the "FCC Order") (https://apps.fcc.gov/edocs\_public/attachmatch/FCC-06-180A1.pdf).



The incumbent's level playing field argument is misguided. Other cable companies have recognized competition, and not opposed CenturyLink's franchises in many other jurisdictions (including no build franchises). The FCC recognizes that cable operators have demanded a "level-playing field" in order to "increase the financial burden and risk for the new entrant." "It is not reasonable to impose incumbent provisions on a second entrant "given the circumstances surrounding competitive entry are considerably different than those in existence at the time incumbent cable operators obtained their franchises." "Incumbent cable operators originally negotiated franchise agreements as a means of acquiring or maintaining a monopoly position." Requiring the same conditions on a second entrant would make entry prohibitively costly.

Lastly, Comcast alleges that CenturyLink may "red line". This allegation is offensive, and made without any basis in reality. CenturyLink is providing its service in numerous markets, most without any build requirement. Despite not having a build requirement, there is no evidence that CenturyLink has participated in red lining. Comcast claims that its agreement references 47 U.S.C. 541(a)(3), and prohibits discrimination. This provision of federal law is applicable to CenturyLink's service, and it is very misleading to claim that CenturyLink may somehow discriminate simply because the CenturyLink agreement does not restate a matter of federal law.

CenturyLink appreciates the Council's consideration of its negotiated franchise, and seeks its approval without any further conditions. Any further conditions on CenturyLink's franchise could delay, and/or prevent entry into the market, all to the benefit of Comcast, and to the detriment to the residents of Draper.

Thank you again.

Sincerely,

Georganne Weidenbach

State & Local Government Affairs Director, Utah

801-237-3101

cc:

Mike Barker - Deputy City Attorney David Dobbins - City Manager

Rachelle Conner - Draper City Recorder

<sup>&</sup>lt;sup>2</sup> FCC Order, Par. 34.

<sup>&</sup>lt;sup>3</sup> FCC Order, Par. 26.

⁴ Id.

<sup>&</sup>lt;sup>5</sup> See, Id.