

**THE CASE FOR RETAINING CURRENT PEG STATION CHANNEL  
ALLOTMENTS**

**CITY CABLE CHANNEL 13 AND CITY CABLE CHANNEL 16**

**CO- ANCHORS FOR THE DISTRICT'S MUNICIPAL GOVERNMENT  
PROGRAMMING**

**AN OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS**

**POLICY PAPER**

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## I. INTRODUCTION

This paper addresses Comcast of the District's (Comcast) recently-announced plan to realign the positioning of all of the District's public educational and governmental stations on its cable system. It also: (1) reviews the history of Public, Educational and Government (PEG) stations in the District of Columbia; (2) discusses these stations' public value; and (3) references the growing number of benefits that these stations provide to District residents. This paper concludes by making related recommendations, including the recommendation that Comcast refrain from realigning any of the District's PEG and Public Access stations. The Office of Cable Television and Telecommunications (OCTT), in support of the Mayor and the City Council, strongly recommends that, at a minimum, Comcast maintain the status quo regarding Cable Channel 13 and 16's lineup positioning. Comcast's maintenance of the current positioning of the District's two government channels would: (1) preserve the public benefits that those two channels provide to District residents; and (2) protect the relationship that has developed between the District's residents and the well-established brands that are Cable Channels 13 and 16. Maintaining this status quo would also work to avoid the displacement of viewers who turn to those channels each week for information pertaining to their city.

Cable Channel 13 continues its practice of providing gavel-to-gavel coverage of the activities of the DC City Council and its various committees, while Cable Channel 16 continues to showcase its informative and entertaining line-up of public service programming regarding healthcare availability to the poor, HIV / AIDS services available to a very needed community, education reform, housing (including affordable housing strategies and first-time home buying education), the environment, economic development opportunities, education for all citizens, and arts and entertainment programming that attracts and invites visitors to sample the many entertainment venues located in the District. If Comcast were to change the positioning of this programming, it would (among other things) significantly negate the steps taken by the District over the course of the past several years to effectively "brand" these channels.<sup>1</sup> Such a result would clearly harm the District. "Research Communications Ltd.," a national marketing research firm, has determined that "highly competitive industries (such as those that provide consumer products) have learned the only way to survive in a world where customers are offered a variety of options is to stand out by carefully creating a *brand name*." This same research firm has found that "consumers choose brands to simplify the bewildering number of choices that they are confronted with. . . . The bottom line is: *Companies create products and*

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<sup>1</sup> A "brand" is defined as "a trademark or distinctive name identifying a product or a manufacturer." Dictionary.com (2005)

*services, but people buy brands.* If the brand is highly successful, it creates a bond of trust with its customers.”

Other marketing-related companies adhere to the same principal regarding the issue of branding. The marketing firm “MC Brandworks” advises that:

Branding is not a logo, set of colors or eye-catching design. Branding cannot save a bad product or weak business, but it is the one thing that differentiates you, your business and your product in the overwhelming media assault consumers face everyday. Your brand is the emotional experience a consumer has when they interact with your business. Consumers have relationships with brands, not products.<sup>2</sup>

The District, through its extensive branding efforts, has fostered such a relationship between its residents and the brands that are District Cable Channels 13 and 16.

## **II. HISTORICAL PERSPECTIVE**

In order to fully understand the importance of maintaining Comcast’s current channel locations for all of the District’s PEG channels (especially Channels 13 and 16), it is necessary to know the history of PEG channels in the District.

The quality of PEG channels in the District has significantly improved over time. In particular, the award-winning Cable Channels 13 and 16 channels of today are not the government channels of the past. When the City Council granted the first District cable franchise to Comcast’s predecessor District Cablevision Incorporated (“DCI”) in 1984, it created OCTT (DC Law 5-570) and charged OCTT with the responsibilities of enforcing the city’s laws regarding cable and its franchise agreement with DCI. Additionally, OCTT was charged with the responsibility of producing original programming for the District and managing the District’s PEG cable channels. Programming for Cable Channel 16 began in early 1987 and featured DC City Council hearings, mayoral events and programs regarding services provided by various District agencies.

Under the original DCI franchise agreement, the District was granted a few cable stations for use as public access channels, but Cable Channel 16 was the only

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<sup>2</sup> [www.medelia.com/mc\\_branding.htm](http://www.medelia.com/mc_branding.htm)

channel used for government programming.<sup>3</sup> For several years, District residents went without the benefit of having quality and useful PEG stations. For example, in 1990, the District's PEG station was only on-air between 7:00 a.m. and 11:00 a.m. and from 4 p.m. until midnight. At all other times, the station aired audio that was supplied by then-existing WDCU-FM (the University of the District of Columbia's radio station). In the early 1990's, the station had few production employees on staff and, instead, relied upon interim contract employees for staff support. Additionally, the District's related equipment was outdated and often inoperable. In spite of those issues, the station's staff grew over the years. That growth was primarily a response to the growth of and increased demand for cable television services since 1990.

### **III. RECENT RE-BUILD OF GOVERNMENT CABLE CHANNELS**

Beginning in 1999, OCTT undertook tremendous efforts to rebuild its two government stations. Specifically, OCTT rebuilt the technical and human infrastructures of Channels 13 and 16, expending substantial time and money to upgrading its facilities and equipment. OCTT successfully negotiated Comcast's current franchise renewal agreement and, most recently, closed on a long-term Open Video System (OVS) franchise agreement with RCN Corporation d/b/a Starpower Communications, LLC. Pursuant to these agreements, OCTT collects franchise fee payments from these two companies and uses those funds to rebuild and support the technical and human infrastructure of the agency. OCTT uses its human resources and facilities to produce highly informative and entertaining programming, in addition to gavel-to-gavel coverage of City Council hearings.

### **IV. THE BENEFITS PRESENTED TO DISTRICT RESIDENTS BY QUALITY GOVERNMENT CHANNELS**

District residents have significantly benefited from quality upgrades of the District's government PEG channels. As a result of these upgrades, the District

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<sup>3</sup> Subsequently, and pursuant to the Cable Television and Telecommunications Reform Amendment Act of 2002, effective October 9, 2002 (DC Law 14-193, codified in DC Official Code §34-1258.03 *et seq.*), OCTT adopted regulations officially allocating the cable channels provided by Comcast and Starpower. Those PEG operators were, at that time, and continue to be: (i) the D.C. Public Schools (one channel); (ii) the Office of Cable Television and Telecommunications ("OCTT") (two channels - Channels 13 and 16); (iii) the Public Access Corporation (two channels); and (iv) the University of the District of Columbia (one channel).

has established itself, to other jurisdictions around the nation, as a leader in the provision of quality programming.

### **Cable Channel 16 - Co-Anchor to the District's Municipal Channel 13**

Over the course of the past five years, OCTT has taken extraordinary steps to both plan and execute an extensive upgrade of Cable Channel 16. OCTT researched, sought out and retained the highest quality, state-of-the-art equipment and facilities to house its studios. It secured agreements with other District agencies in an effort to provide to District residents top-tier cable television programming. OCTT has also taken steps to move toward digital broadcasting

The outcome of OCTT's above-referenced efforts is Cable Channel 16's state-of-the-art, unique and deeply-engrained station branding. Much of OCTT's equipment and facilities bears the name "OCTT Cable 16." District residents have had an opportunity to experience the branding of the Cable Channels 13 and 16 first-hand and up close. Changing the location of Cable Channel 16 would completely sever the existing relationship between District residents and the "OCTT Channel 16" brand. As previously mentioned, Consumers have relationships with brands, not products.

Cable Channel 16 provides to District residents a host of important benefits:

- City Cable 16 is a full-service channel that has become "the" station to turn into for up-to-the minute reports regarding District Government services.
- City Cable 16 vigorously promotes economic development in the District, in addition to a myriad of economic opportunities to attract new investment to the City. Cable Channels 13 and 16 have become nationally and internationally known, providing valuable information to District residents serving as soldiers abroad, and to other District residents who have temporarily left the City but still maintain a relationship with the District via Channels 13 and/or 16.
- City Cable 16 provides District residents with information regarding the City's participation and development of Homeland security preparedness activities and programs linked with the federal government national alliances. These channels are used to advise District residents of how to proceed in the event of an emergency.

- City Cable 16 airs numerous public forums and meetings regarding healthcare, affordable housing, transportation, employment , and public safety. For example, this channel is used to broadcast information regarding the yearly vaccinations made available to the children of District residents.

The above-referenced programming is not readily available on any other Comcast station.

### **Cable Channel 13 - Co-Anchor to the District's Municipal Channel 16**

OCTT, through its Cable Channel 13, promotes the notion of free and open democracy in the District by covering by hearings and meetings of the City Council. OCTT provides hundreds of copies of its programming each year to residents who request such copies. OCTT's programming (on both of its government channels) is readily available to anyone (via live streaming) through the agency's interactive Internet website.

The District's City Council has a responsibility that is not shared by any other municipality in the United States. In the District, the City Council is the branch of government that legislates on behalf of the local municipality. It is also charged with the task of legislating the affairs of a state as well. Council Cable Channel 13 plays a vital role in publicizing these affairs to an audience market share that has come to depend on its programming and that is familiar with the channel's placement on the cable tier. A repositioning of this channel by Comcast will displace the channel's audience from the station that displays the workings of government to the grassroots citizenry, the federal legislature that monitors the activities of local government from Capitol Hill, the private sector that invests in the District , the working press, and other national organizations.

The viewers of Cable Channel 13 seek it out to keep abreast of legislation that will affect their daily lives. Residents also access Channel 13 to learn of the activities and positions being taken by their respective Councilmember representative regarding vitally important issues. The District of Columbia Government, under the leadership of Mayor Williams, has undergone a metamorphosis - so much so, that the transitional changes that have occurred in the City have resulted in the District's residents taking a more aggressive role in the political process by holding their local government leaders accountable for their actions and inactions.

Channel 13's programming also enables District Councilmembers to better connect to their communities and discuss their issues with constituents who

would never connect with their Councilmember, absent the existence of the District's effectively-branded government channels. If Comcast proceeds with its plan to change the location of Channel 13, that connection between the District's Councilmembers and their constituents will be severed.

### Awards

Since OCTT began dedicating additional resources to its efforts to make its PEG channels models for other jurisdictions, it has won numerous awards given by national and regional entities concerned with government cable programming. The list of these honors includes, but is not limited to, awards for Outstanding Municipal Programming in the areas of:

- Overall Governmental Programming
- Public Service Announcements
- Ethnic Programs
- Public Affairs
- Government Access Channel Station Promotions
- Channel Promotions
- Documentary - Event Coverage
- Documentary - Profile
- Special Audience

Each year, the city is routinely presented with several government programming awards from the National Association of Telecommunications Officers and Advisors (NATOA). OCTT also recently won two categories in the 2004 Hometown Video Festival presented by the Alliance for Community Media. These awards support the contention that OCTT's implementation of its plans regarding the branding and operation of City Channel's 13 and 16 has been efficient and effective.



## V. THE IMPORTANCE OF MAINTAINING CURRENT GOVERNMENT CHANNEL ALLOTMENT

There are various reasons to support the maintenance of City Cable 13 and 16 at their current and respective channel allotments on the Comcast cable system.

Notwithstanding Comcast's apparent position that it may realign channels on its cable system at will, Section 4.1.02 of the Renewal Franchise Agreement between the City and Comcast specifically states that Comcast "**shall** seek to minimize changes in such frequency allocations, channel assignments and dial locations." (Emphasis added). This contract language suggests that, even if Comcast determines that it must alter its channel assignments, it should change only those channels positions that it absolutely has to change (due to compelling circumstances). Accordingly (and hypothetically), even if Comcast determines that it is compelled to change the positioning of the District's public access and other PEG channel locations, it should still endeavor to allow the District's government channels to remain as currently positioned. The above-referenced bias against channel repositioning should be even more difficult for Comcast to ignore when the channels at issue are extensively-branded ones, like Cable Channels 13 and 16.

History indicates that the District has always looked with disfavor on a cable entity relocating public channels. For example, in its 1992 "Committee Report on the Status of Cable Television in the District of Columbia" (dated March 2, 1992), the District's Committee on Public Services expressly admonished District Cablevision for placing local origination channels high on the channel "dial" because those locations "discourage[d] customers from viewing them."

The same potential problems remain today. A move as significant as the one that Comcast now proposes has the potential to displace the hundreds of viewers who have come to rely on Cable Channels 13 and 16 for (among other things) news, information and quality programming. In many cases, these lost consumer / residents may never again be reclaimed (thus, resulting in a loss of a substantial number of District cable customers).

Second, a move of the District's PEG channels will cause the District numerous difficulties related to the branding of its stations. As stated, the logos of the channels are featured prominently on OCTT's equipment, staff jackets, graphics and other marketing and promotional materials. Programs that air on these channels prominently showcase the name City Cable 16 and City Cable 13. As such, the brands "Cable Channel 16" and "Cable Channel 13" have become local, grassroots public assets. City Cable 16 has become known as "the Mayor's cable channel" and City Cable 13 is known as "the Council's channel." Residents know that they can turn to Cable Channel 16 or Cable Channel 13 to witness

their government in action. Moving these channels will not only cause economic upheaval, but will also likely result in a loss of District residents' "good will."<sup>4</sup>

Third, there are likely thousands of dollars in lost costs that will be experienced as a result of Comcast's proposed reallocation of the District's PEG channels. The financial investment that the District has made in connection with the branding of Cable Channels 16 and 13 is substantial (hundreds of thousands of dollars). The proposed move of the District's PEG stations has the potential to negate that investment of promotional materials and more. Comcast's franchise agreement with the City does require it to provide adequate notice to the affected PEG operator and all cable subscribers and to develop a marketing plan for the affected PEG entities. Additionally, Comcast must pay for newspaper advertisements regarding the change and provide funds (up to \$10,000.00) to replace PEG entities' materials (stationery, promotional materials, etc.) identifying the channel location. However, such reimbursements by Comcast will likely not be able to account for all of the losses that will be incurred by the District, including the loss of good will of its citizenry.

Notwithstanding the fact that Comcast must contribute monies to cover some of the costs associated with the proposed lineup change, displaced viewers will be difficult to retrieve once the move is effectuated. OCTT's experience has revealed that viewers are a creature of habit and may be unwilling to search their cable channel dial to discover the new channels. Furthermore, OCTT's experience has indicated that the location of stations on the lower channels of a system makes them more easily accessible and more likely to be viewed by a subscriber channel surfing with their remote control. Many of the popular and basic broadcast channels are located on the lower channels of a system, making those channels amongst those that viewers most often watch. Further, the District's senior community may be less willing and/or able to make the adjustments necessary to take full advantage of Comcast's proposed new lineup change. Potentially, that senior community might come to feel slighted by their elected leaders as a result of this displacement. These are just some of the reasons why the City's PEG channels should remain where they are currently located.

Finally, it must be noted that the Mayor's Channel and the Council's Channel are located on the same channel number allocations (i.e., Channels 16 and 13, respectively) on RCN Corporation's cable system as well as on Comcast's system. The District expended significant efforts during its respective franchise agreement negotiations with RCN and Comcast to ensure that both of its government channels were located at channel number positions 16 and 13 on

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<sup>4</sup> "Good will" is defined as "a good relationship, as of a business enterprise with its customers or a nation with other nations" Dictionary.com (2005).

both of these companies' systems. This identical channel positioning was a significant part of the District's branding strategy regarding its two government channels. No matter what cable company a resident patronized, under the District's branding plan, the Mayor's channel would always be Channel 16 and the Council's channel would always be Channel 13. Comcast's planned change of the channel positions of either the Mayor's channel or the Council's channel will completely destroy this element of the District's branding plan.

With the proposed reallocation of the channel line up for City Cable 13 and 16, the citizens of the District may lose a tremendous public benefit. For Comcast to move the District's PEG channels as planned may cause the District to lose a significant portion of its market share of viewers that the District worked so hard to build.

## **VI. RECOMMENDATIONS**

It is with the above-mentioned concerns in mind that OCTT has concluded that Comcast should maintain the current locations of all of the District's PEG channels. The reasons Comcast gives for moving the channels do not outweigh the damages to public benefit that will incur if the channels were reallocated. OCTT, in support of the Mayor and the City Council, strongly recommends that, at a minimum, Comcast maintain the status quo regarding Cable Channel 13 and 16's lineup positioning, in order to preserve the public benefits that the two stations provide to District residents.

Further, the Government of the District of Columbia is committed to embracing its growing Hispanic citizenry. The District, through its Cable Channels 13 and 16, has demonstrated that commitment by hosting multi-language hearings and meetings regarding various topics for the City's Spanish-speaking community. Additionally, the District of Columbia's Office of Latino Affairs produces informational programming on an array of subjects for airing on the channels.

In an effort to further nurture this relationship, OCTT additionally proposes the following (in the event that Channels 13 and 16 remain where they are presently located):

- Comcast will locate the Univision Network on cable channel 12
- Comcast will locate the Telefutera Network on cable channel 14
- Comcast will locate the Telemundo Network on cable channel 15

OCTT's above-referenced approach will compliment Comcast's efforts to group the channel according to subject matter and closely align these channels with Channels 13 and 16..

OCTT will continue to produce programming for the City's Spanish-speaking community and will additionally produce public service announcements (PSAs) to be aired on the Spanish-language channels. The PSAs will direct the viewing audiences to City Cable 13 and City Cable 16 for government programming.

The enactment of OCTT's recommendations, above, would best advance the interests of the District and its residents. To request the legislative branch of government and/or the executive branch of government to advocate the value of its programming to the disadvantage of the other is the equivalent of asking each to de-value the other's role in government .