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James C. Porter, Director of Public Works
County of San Mateo
555 County Center, 5th Floor
Redwood City, CA 94063

Laura Snideman, City Manager
City of Half Moon Bay
501 Main Street
Half Moon Bay, CA 94019

Re: Protest of Mid-Coast Television Proposal to the Recommendation of San Mateo County and the City of Half Moon Bay for the Provider of Public Education, and Governmental Access Television

Dear Mr. Porter and Ms. Snideman:

This letter constitutes the Protest of Mid Coast Television, Inc. (MCTV) of the Recommendation of Pacifica Community Television (PCT) to be the PEG Access Provider by the County of San Mateo and the City of Half Moon Bay.

Executive Summary

MCTV protests the Recommendation because PCT's proposal does not commit it to provide even the existing level of PEG Access services provided by MCTV, nor does it clearly specify the costs of such service. In addition, it is not evident from the proposal that PCT has the technical and personnel resources to perform these services. Any PEG Access contract awarded by the County and City to PCT must at minimum contain the following provisions:

- Require that PCT specify in a written contract that it will tape the meetings of CUSD, CCWD, SAM, GSD, and MWSD, and include specific terms to set the fees for taping, cablecasting, duplicating, webstreaming, uploading, chaptering, and providing video on demand for each of these meetings. PCT should also be required to explain in detail how it will staff the coverage of the large number of meetings involved and how and where it will archive all public meeting videos.

- Require that PCT specify in a written contract that it will provide live coverage of meetings from the Adcock Center and Seton Coastside, and specify how it will obtain the funds to pay for the necessary facilities without depleting available PEG capital funds held by the County and City. Prior to executing the contract PCT should be required to provide documentation from Comcast of the cost and the schedule for establishing and testing the live feed connections.
- Require that PCT specify in a written contract that it will offer upgraded webstreaming of all its programming and will install an in-house VOD capability. PCT should also be required to specify which programs will be made available for VOD, and what, if any, charge will be imposed for VOD uploading and chaptering. PCT should be required to specify the cost of the necessary facilities, the location of the servers, and the source of the funding.
- Require that PCT specify in a written contract what time slots and days it will cablecast public meetings, including non-required meetings, and how it will prioritize and schedule other types of programming of interest to the Coastside relative to similar programming produced about Pacifica.
- Require that PCT agree by contract to a firm deadline for implementation of a working social media site, and specify what steps PCT will take to increase visibility of its website and social media site.
- Require that PCT agree in contract to specify that its Liaison would be present on the Mid-Coast (Montara to Half Moon Bay) no less than once a week for contacts with the community regarding PEG matters, and commit to specific procedures for publicizing the Liaison's contact information. PCT should also commit that some additional PCT staff in addition to the Liaison will be made available for community outreach when the Liaison is not on the Coastside.
- Require that PCT amend its Proposal to include a detailed budget for the first year of the contract that specifies the incremental revenues and expenses related to the services to be provided to the Mid-Coast, including all revenues it intends to receive, including fees for taping non-required public meetings, and all expenses it will incur in actually providing the services it claims to be able to offer, including webstreaming, VOD and a social media hub.

If PCT cannot or will not commit to a contract which includes all of the above terms and disclosures in sufficient detail, the PEG Access contract should be let to MCTV, which is already providing this level of services with its existing funding.

Introduction

MCTV has carefully reviewed the proposals of all three entities who submitted entries in the Request for Proposals (RFP), as well as the scoring sheets of the independent reviewing committee. While MCTV appreciates the effort of the committee and all of the steps taken to create a fair and unbiased evaluation process, we have come to the conclusion that there is a significant risk that the recommended provider, PCT, will not be able to provide a level of PEG Access service to the Mid-Coast community which is equivalent to that already provided by MCTV. MCTV raises the issues in this Protest so that the County and City may ensure that these deficiencies are corrected by specific performance requirements in the PEG Access contract with the provider ultimately selected, whether it is PCT or MCTV.

MCTV's highest priority is to make sure that the level of services and quality of programming that it has established over 25 years of continuous programming are retained, and hopefully improved upon, as a result of the RFP process. As will be explained below, there is very little difference in the financial impacts of the MCTV and PCT proposals. Accordingly, MCTV believes that it makes no sense to change PEG Access providers if there is no substantial fiscal benefit unless the quality of service provided is equal to or better than what the existing provider offers. This does not appear to be the case with the PCT proposal.

The same concept applies to the notion of consolidating PEG Access providers. While local governments are understandably examining proposals to share resources or combine functions across city or county boundaries, each such proposal should be able to stand on its own merits. Combining PEG Access services in Pacifica and the Mid-Coast may be shown to make sense, but ONLY if the service provider selected to serve the expanded service territory can demonstrate the capability to provide services of at least as high a quality and reliability for the same or lesser cost. Again, this does not appear to be the case, based upon the PCT proposal and PCT's existing resources.

Significant Deficiencies or Uncertainties in the PCT Proposal

1. Public Meeting Coverage

The PCT proposal does not contain a specific explanation of how and at what cost it will offer a full range of Mid-Coast public meeting programming.

A. Taping Other Public Meetings (Non-Required Programming)

The PCT proposal contains no specific commitment to tape the meetings of Cabrillo Unified School District (CUSD), Coastside County Water District (CCWD), Sewer Authority Mid-Coastside (SAM), Granada Sanitary District (GSD), or Montara Water & Sanitary District (MWSD). The RFP refers to these public meetings as Non-Required Programming. The PCT proposal makes the ambiguous statement that,

“other non-required programming can also be facilitated. It is a simple matter of staffing and equipment in order to generate a professional product. If the city and county’s financial commitment remains strong, these are not issues.” PCT proposal, p. 5.

This statement is very troubling. At present, the City and County do not pay additional fees to have MCTV tape the meetings of the CUSD, CCWD, SAM, GSD or MWSD. This is because each of these five entities pay their own fees for coverage of their meetings. So PCT’s suggestion that the City and County make a financial commitment to pay for covering these meetings makes no sense. PCT offers no information about what it would charge to tape these meetings, and what services would be provided, such as webstreaming, video on demand, chaptering or archiving.

In addition, PCT proposes to archive public meetings only by uploading them for viewing on the web. See PCT Proposal at p. 9. As explained below PCT does not presently have this capability. PCT does not propose any other means to archive public meetings, such as by retaining the files on their own servers or keeping a DVD copy.

Comparison to MCTV: MCTV has an existing schedule of fees for taping public meetings other than the City Council and MCC meetings, and has a long history of providing coverage of the meetings of all of these agencies. MCTV is proposing to maintain archived copies of all City Council and MCC meetings at no additional charge. The other agencies can receive the same archiving services for an additional fee, which SAM currently pays. If PCT is not willing to cover these meetings, and provide the same services, or charges substantial additional fees to do so, MCTV’s proposal should be ranked as superior to PCT.

Recommendation: Require that PCT specify in a written contract that it will tape the meetings of CUSD, CCWD, SAM, GSD, and MWSD, and include specific terms to set the fees for taping, cablecasting, duplicating, webstreaming, uploading, chaptering, and providing video on demand for each of these meetings. PCT should also be required to explain in detail how it will staff the coverage of the large number of meetings involved and how and where it will archive all public meeting videos.

B. Live Video Feeds for City Council and MCC Meetings

With respect to City Council and Mid-Coast Community Council (MCC) meetings, the proposal vaguely refers to a live feed “arranged with Comcast” which “may necessitate the installation of an additional ‘live feed’ as arranged per Comcast”. PCT proposal, p. 4. This is not as simple as PCT suggests. Worse, PCT admits it has little if any knowledge of the requirements of the existing Comcast franchises with the City and County. On page 13 of its proposal, PCT states, the “details of the franchise and the scope of the potential franchise allocation are as yet unknown.” The franchises are public documents, and PCT's lack of knowledge in this area has significant consequences for its proposal.

The facts revealed by the franchises and MCTV's existing agreement with Comcast are that live feeds from the Adcock Center and Seton Coastsides are physically connected to the MCTV head end by dedicated fiber optic cables. This is required by the franchise. However, relocating those fiber optic connections to PCT's head end is not required by the franchise. MCTV has communicated with Comcast and confirmed that PCT has had no discussions with Comcast regarding the live feed facilities or any other matter. Comcast has specifically indicated to MCTV that if they were requested to provide live feed links from Adcock Center and Seton Coastsides to PCT, they would be able to do so, but Comcast would charge their full cost for doing so, and would obtain the money by reclaiming it from the PEG funds held by the County and the City.

Rerouting fiber optic cables is very expensive. Comcast personnel told MCTV that the value of the work done to connect the live feeds to MCTV was *several hundred thousand dollars*. For Comcast to drain the PEG funding held by the County and City to pay for video equipment in the future is a serious blow to the continued viability of PEG Access on the Coastsides. MCTV worked for years to obtain a franchise commitment for Comcast to install these live feeds at Comcast's expense, and the PCT proposal would result in either the loss of live cablecasts of City Council and MCC meeting or result in substantial and unknown additional costs. If PCT were to simply drop live coverage of the City Council and MCC meetings because of the costs Comcast would charge, Coastsides residents would see a significant reduction in the quality of service. Live coverage of the City Council and MCC meetings is highly valued by the community.

Comparison to MCTV: MCTV is already connected to the fiber optic cables that enable live coverage of the City Council and MCC meetings, as well as emergency cablecasts from either location. In addition, if MCTV ever has to move its facilities to a new location, Comcast is obligated by its side agreement with MCTV to reestablish the live feeds at MCTV's new location at Comcast's expense. If PCT cannot pay for the cost of installing fiber optic connections to allow live coverage of meetings from Adcock Center and Seton Coastsides, or refuses to commit to provide live coverage of the meetings, MCTV's proposal should be ranked as superior to PCT.

Recommendation: Require that PCT specify in a written contract that it will provide live coverage of meetings from the Adcock Center and Seton Coastsides, and specify how it will obtain the funds to pay for the necessary facilities without depleting available PEG capital funds held by the County and City. PCT should be required to provide documentation from Comcast of the cost and the schedule for establishing and testing the live feed connections prior to executing the contract. In addition, any new live feeds should be in place prior to a change over of PEG providers so there is no gap in service.

C. Webstreaming Video and Video on Demand

PCT's proposal states that with respect to public meetings it intends to "upload the digital file to the web so that they could be seen at any time." PCT Proposal at p. 4. No such capability exists on the PCT website at this time. PCT's engineer confirmed to

MCTV that PCT does not have the capability to show its programs on the web through “Video on Demand” (VOD). The engineer stated that the representation that PCT could do this was “incorrect”. PCT currently webstreams the programming it runs on Channel 26 on the web via a program called Justin.tv. This is a commercial program that inserts paid advertising over the content of PCT intermittently. It is not a broadcast quality signal, and would be recognized by most people as of “YouTube” quality.

In recent years, Coastsiders have expressed a strong desire for PEG Access programming to be available over the Internet not just when it is shown on the air (webstreaming), but at other times, whenever the viewer wants to see it (VOD). VOD and websteaming enable residents who no longer have Comcast service to still see PEG programming. This is important given the substantial customer migration from Comcast in recent years. It appears that PCT would have to make a significant investment in additional website modifications and additional dedicated servers in order to have a webstreaming and VOD capability that matches MCTV. PCT should be required by contract to provide high quality webstreaming and VOD, particularly for all of the public meeting programming, and it should be required to explain the cost of such an upgrade and specify the source of the funding for such facilities.

Comparison to MCTV: MCTV has an existing website of its own (MCTV.com) that webstreams all its programming simultaneously with the programming on Channel 27. In addition, MCTV offers VOD for many public meetings it covers. MCTV’s Proposal specifically states that it will offer VOD for all Board of Supervisor, City Council, and MCC meetings. MCTV already offers VOD for any other agencies who are willing to pay a small fee to upload their meetings. MCTV also offers “chaptering”, which is the insertion of digital marks in the video file so that a viewer can go right to a particular part of a video. This is very helpful in viewing public meeting videos. The quality of MCTV online videos is superior to the low resolution “YouTube” type video clips. If PCT does not substantially upgrade its webstreaming capability and create a VOD system, MCTV’s proposal should be ranked as superior to PCT.

Recommendation: Require that PCT specify in a written contract that it will offer upgraded webstreaming of all its programming and will install an in-house VOD capability. PCT should also be required to specify which programs will be made available for VOD, and what if any charge will be imposed for VOD uploading and chaptering. PCT should be required to specify the cost of the necessary facilities, the location of the servers, and the source of the funding. These upgrades, including VOD service, should be implemented prior to any change of PEG providers so that there is no gap in service.

2. Program Scheduling Concerns

PCT intends to place the same content it cablecasts on Channel 26 in Pacifica on Channel 27 for the Coastside. On page 9 of the PCT Proposal they state, “the only issue would be having Comcast switch the signal [of Ch. 26] to Coastside residents”. PCT offers no coherent explanation of how it will integrate Coastside programming into its existing schedule. The public meeting programming that is generated by MCTV today

fills a large percentage of the prime time content for Channel 27 on the Coastsides. PCT has not adequately explained how it will prioritize its existing programming relative to Coastsides programming. Its brief reference on page 6 of its Proposal to a priority for government and community issues programs does not indicate whether Coastsides public meeting videos will displace PCT entertainment series in prime time. This is an important issue, because some PCT volunteers and staff have made long standing commitments to produce such programming, and MCTV fully appreciates their investment in those programs. What will be the reaction if these shows are bumped from prime time by the large number of Coastsides public meeting shows? How can PCT cram two channels worth of content into one channel? There is no adequate explanation in the PCT proposal.

Comparison to MCTV: MCTV has a separate channel dedicated to Coastsides programming and will not conflict with existing PCT programming. MCTV does not believe it is feasible to place two channels worth of programming on a single access channel, without displacing programming now viewed in prime time to hours where fewer viewers will see them. MCTV already possesses the equipment at its head end to operate two full channels of programming. If PCT cannot specify in a contract a reasonable means of prioritizing the anticipated level of programming on its single channel MCTV's proposal should be ranked as superior to PCT.

Recommendation: Require that PCT specify in a written contract what time slots and days it will cablecast Mid-Coast public meetings, including the non-required meetings, and how it will prioritize and schedule other types of programming of interest to the Coastsides relative to similar programming produced about Pacifica.

3. Community Involvement in Programming

The PCT Proposal does not provide adequate documentation that PCT can involve the Coastsides community in its intended operations, or provide a reliable and immediate line of communication between the community and PCT. The RFP suggests that providers designate a Liaison to be the primary point of contact between the PEG Access provider and the community. PCT has designated its Exec. Director Martin Anaya as Liaison. However, Mr. Anaya does not reside in Pacifica, or the Coastsides. We are advised that he resides in Sacramento. Mr. Anaya may make visits to the Coastsides, as he does to the PCT studio, but clearly will not be a readily available presence for Coastsiders who would like to speak to him in person, and will not be as available for meetings with public agencies or other groups who wish to discuss issues related to the PEG Access station.

In addition, the PCT proposal does not indicate that it has engaged in any effort to communicate with Coastsides businesses, non-governmental agencies, public agencies, or residents in order to evaluate the feasibility of their proposals for generating community partners, media alliances, or creating a media center serving both Pacifica and the Coastsides. See PCT Proposal, p. 8. Once again, having an Executive Director/Liaison who lives hundreds of miles away can only delay and frustrate implementation of such

plans. PCT's Proposal also fails to include a single reference or letter of support from a Coastside resident, business or organization. Nor does the PCT proposal indicate any effort to offer service to the La Honda-Pescadero area.

Comparison to MCTV: MCTV included 5 references and 16 letters of support in its Proposal. These include letters endorsing MCTV from Congresswoman Jackie Speier, the HMB Chamber of Commerce, the Cabrillo Unified School District, and many other Coastside organizations, businesses, and residents. In addition, MCTV's offices are located in El Granada and MCTV's President and its entire staff reside on the Coastside. MCTV has demonstrated the ability to stay in close contact with the public agencies and local non-profit organizations it serves. In addition, MCTV has formed personal connections with hundreds of Coastside residents who have volunteered at the station, helped produce programs, or made suggestions about programming. MCTV also has a long standing relationship with independent producers in the La Honda-Pescadero area. MCTV has committed in its Proposal to increase its level of contacts with the community with implementation of the PEG Manager program and the creation of a liaison position, a customer survey and an annual meeting for public input. If PCT cannot provide more a substantial commitment for a Liaison to be available to the Coastside community on a regular basis, the MCTV proposal should be judged as superior to that of PCT.

Recommendation: Require that PCT agree in contract to specify that its Liaison would be present on the Mid-Coast (Montara to Half Moon Bay) no less than once a week for contacts with the community regarding PEG matters, and commit to specific procedures for publicizing the Liaison's contact information. PCT should also commit that some additional PCT staff in addition to the Liaison will be made available for community outreach when the Liaison is not on the Coastside.

4. The Use of Social Media for Promoting PEG Access

PCT states in its proposal that it is building a social media hub, and indicates that a beta version of the hub is located at pct26.microcommunity.org. PCT Proposal at p. 8. No social media hub exists at this site. This link is merely a GoDaddy.com webpage advertising hosted web services. There is no PCT related content on the site. PCT also makes the statement in its Proposal that "Any time a person, anywhere in the world seeks video on the Coastside, they will be directed to our media hub." This is a gross exaggeration. Earning high scores on web browser results requires frequent and sophisticated modification of a website. For example, a search for "video Pacifica" does not reveal a link to PCT on Yahoo initial search results. The same is true for a search of "video Coastside". In reality, PCT does not have the capabilities stated in its Proposal.

Comparison to MCTV: MCTV has invested over a year's effort, in conjunction with CreaTV in San Jose, and Santa Cruz Community Television, to help Paddington Media prepare a commercially viable version of PEG Manager, a software program that enables online management of an access station, and facilitates communication to residents and volunteers by text, email and Facebook. As indicated in the MCTV Proposal, this program will be implemented by MCTV later this year. This is a real and

viable program, as indicated in the letter from Paddington Media accompanying the MCTV Proposal (Appendix 7). If PCT cannot demonstrate an actual capability to communicate with social media, MCTV's Proposal should be rated as superior.

Recommendation: Require that PCT agree by contract to a firm deadline for implementation of a working social media site, and specify what steps PCT will take to increase visibility of its website and social media site.

5. Financial and Budgetary Issues

PCT's Proposal provides vague and incomplete information about its actual budget for providing the PEG Access services described in the Proposal. PCT gives a total budget of \$252,325 for all its activities, which includes all of the programming activity it already performs for Pacifica on Channel 26. PCT appears to indicate that it would incur additional staffing costs and equipment depreciation equal to "the amount the county and city have contracted to spend for these services during the last fiscal year." See PCT Proposal at p 11. It is not even clear PCT knows what that amount is...as the RFP only gave the calendar year franchise fee amounts for 2009, not 2010. As stated in the MCTV's Proposal, the total franchise fees paid during the fiscal year ending in 2010 by both the County and City, were only \$71,022, not the \$73,000 stated in the PCT Proposed Budget. At the same time, it is not at all clear that PCT has specified exactly what programming it will offer for this level of franchise fee funding. PCT states that the County and City are asking for the provision of services to produce "8 TV Programs" without identifying what they are, and whether these are series or individual programs.

As indicated in the preceding sections PCT does not currently have many of the capabilities it claims, and will presumably have to invest substantial sums to provide VOD services, adequate webstreaming, and a functioning social media site. Without a budget that itemizes the incremental expenses for serving the Coastside and adding these capabilities, it is not possible to compare PCT's actual cost of performing the PEG Access contract to MCTV's.

Comparison to MCTV: MCTV has always operated within its budget and has never had a financial "meltdown" during its 25 years in operation. The same cannot be said of PCT. MCTV has provided a specific itemized budget for year one of the three year contract, and a budget summary for the full three year period. While MCTV's budget for the first year of the contract is \$160,000, this amount cannot be compared to PCT's budget without adjustment. PCT's proposal does not take into account funding from the County PEG capital fund or the City's 1% DIVCA fund, which are included in MCTV's budget estimates. PCT does not discuss the use of these funds, so it's budget cannot be compared to MCTV on an apples to apples basis. MCTV also includes a specific estimate for fees obtained from public agencies for taping meetings. PCT does not indicate in its proposal what fees it intends to charge for taping public meetings. Most importantly, as MCTV stated in its interview, and in previous public statements, it has firmly committed to operate within the actual franchise fee revenues received from

Comcast, even if they are less than forecast. Thus, while MCTV has assumed in its budget a small increase in Comcast franchise fees available from the County and the City, if these increases do not materialize, MCTV will trim its budget to operate within the available funding.

In essence, MCTV is willing to provide all the services contained in its proposal for the same amount of regular County and City franchise fees as PCT. If PCT cannot provide a detailed budget for the incremental services it will provide to the Coastside, including all revenues it intends to receive, including fees for taping non-required public meetings, and all expenses it will incur in actually providing the services it claims to be able to offer, MCTV's proposal should be deemed superior.

Recommendation: Require that PCT amend its Proposal to include a detailed budget for the first year of the contract that specifies the incremental revenues and expenses related to the services to be provided to the Mid-Coast, including all revenues it intends to receive, including fees for taping non-required public meetings, and all expenses it will incur in actually providing the services it claims to be able to offer, including webstreaming, VOD and a social media hub.

6. Overall Quality of PEG Services

PCT states in its proposal on page 11 that PCT proposes to provide “*a level of service which far exceeds current operator's capability.*” As indicated in the preceding paragraphs, this is a blatant misrepresentation. MCTV has superior capabilities to provide live feeds of City Council and MCC meetings, and has a demonstrated capability to cover the meetings of the other public agencies on the Coastside. In addition, MCTV has demonstrated superior websteaming and Video on Demand capabilities. As MCTV has already installed its webstreaming and VOD facilities, it intends to use capital funding available in the future for obtaining a TriCaster switcher to be used with its current two camera system to enable more studio productions. Many of MCTV's early shows were produced this way.

MCTV also has greater overall channel capacity than PCT because it does not have to accommodate a full schedule of existing Pacifica-related program content. Over its history MCTV has also created a large library of local programming, including award-winning videos by Coastside producers and overage of important local events. MCTV has greater access and proximity to the Coastside community and a far greater level of community support and involvement than PCT—and a 25 year history of service to the community.

Conclusion

It appears that County and City believe that PCT is a larger, more capable PEG Access provider than MCTV. It is true that PCT may have more money in the bank, primarily because the larger number of cable subscribers in Pacifica generate more franchise fee revenue. However, PCT actually has fewer technical capabilities than

MCTV currently has. Without requiring substantially more specificity in PCT's proposal, and requiring more specific contractual commitments, the Coastsiders will not receive the level of PEG Access services it should receive. Nor will PCT's proposal produce any significant financial savings for the County or City from the PCT proposal.

Based on the existing PCT Proposal, MCTV does not believe that PCT will be "user-friendly" for Coastsiders. How can an absentee Community Liaison provide the vital communication link that was intended?

To MCTV the bottom line is that if the County and City are going to shut down a community television operation that has operated responsibly for 25 years, the County and City should be able to prove that there is a very good reason for doing so, either a significant savings in the cost of operating the station, or improved service for the community. As detailed above, this is not the case with PCT's proposal. In order to cure this, the County and City must require very specific contract language that will ensure that PCT will provide improved service, or award the contract to MCTV

MCTV's primary concern in filing this protest is to ensure that the Coastsiders will continue to receive the same level of PEG Access service that it took MCTV 25 years to build. The entire RFP process would be a total failure if an inadequate review of the PCT Proposal resulted in a lower level of service and far less community-oriented programming for the Coastsiders. MCTV urges the County and City to ensure that such a result does not occur. If it becomes apparent that PCT cannot make the necessary investments and commitments to match what MCTV already provides the Coastsiders, MCTV is ready and willing to continue bringing PEG Access programming to the community it has served with tremendous dedication over the last 25 years, and to use the latest technology to bring even better service to the Coastsiders.

Questions regarding MCTV's Protest should be directed to Michael B. Day, 415-279-0702 (cell), 415-398-4321 (fax), mday@goodinmacbride.com.

Thank you very much for your consideration of MCTV's Protest.

Sincerely,



Constance J. Malach
President, MCTV

cc: San Mateo County Board of Supervisors
Half Moon Bay City Council
Mid-Coast Community Council
Ann Stillman, County Public Works
Martin Anaya, PCT26
Clay Lambert, Editor, Half Moon Bay Review