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Office of the City Auditor
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October 27, 2006

CABLE FRANCHISE FEES DUE FROM COMCAST CABLE TWO YEARS ENDED DECEMBER 31, 2005

The Oakland City Auditor returned Communications Support Group, Inc., to review the franchise fees computed and remitted to the City of Oakland with reference to the existing contract between the contracting parties.

Communications Support Group, Inc. is a specialist in cable franchise fee rules and procedures and serves many cities in California. This expertise made it possible for them to go directly to the revenue that is commonly understated with resulting fee understatement.

Communications Support Group, Inc. has found that $34,917 is due to the City of Oakland for the two years ended December 31, 2005 according to their report attached.

Communications Support Group, Inc. recommends that an audit of three prior years be performed since the contract provides for five years of auditing. Arrangements are in process for them to do so.

Issued by:

Date Issued: 10-27-06

Roland E. Smith, CPA, CFS
City Auditor

Item: ____
Finance & Management Comte.
December 12, 2006

COMMUNICATIONS SUPPORT GROUP, INC.
2850 Mesa Verde Drive East - Suite 118, Costa Mesa, CA 92626 VOICE: (714) 444-4900
FAX: (714) 444-4905
EMAIL: jrisk@concentric.net

CITY OF OAKLAND, CALIFORNIA

REPORT ON AGREED-UPON PROCEDURES
REVIEW OF COMCAST CABLE

OCTOBER 25, 2006

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OCTOBER 25, 2006

COMMUNICATIONS SUPPORT GROUP, INC.

2850 Mesa Verde Drive East - Suite 118, Costa Mesa, CA 92626 VOICE: (714) 444-4900
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EMAIL: jrisk@concentric.net

COVER LETTER

October 25, 2006

Mr. Roland Smith
City Auditor
City of Oakland
1 Frank H. Ogawa Plaza, 4th Floor
Oakland, CA 94612

Dear Mr. Smith:

We have concluded our agreed-upon procedures review of the cable television franchise fees paid by Comcast Cable (Comcast) to the City of Oakland (City) for the two-year period from January 1, 2004, through December 31, 2005, based on information that we have been provided as of today's date.

The results of our review are summarized in our "Executive Summary" at page 2 herein. We have performed the procedures enumerated herein on page 3, which were agreed to by management of the City, solely to assist the City in analyzing the cable television franchise fees paid to the City by Comcast.

This report is intended solely for the information and use of the City and is not intended to be and should not be used by anyone other than the City.

Please contact us if you have any questions regarding this report.

Sincerely,

John Risk

John Risk
President

cc: William S. Morgan, CPA, Diehl, Evans & Company, LLP

Attachment: Schedules

EXECUTIVE SUMMARY OF UNDER-REPORTED REVENUES

CITY OF OAKLAND

EXECUTIVE SUMMARY
FOR THE CALENDAR YEARS 2004 AND 2005

Description of Under Reported Revenues	Schedule Reference	Calendar Year 2004	Calendar Year 2005	Audit Period Total
Franchise Fees				
Subscriber Revenues	1	$ (2,199)	$ 3	$ (2,196)
Cable Launch Fees		281,079	258,547	539,626
Under Reported Revenues		278,880	258,550	537,430
Times: 5% Franchise Fee		0.05	0.05	0.05
Total Under Paid Franchise Fees		13,944	12,928	26,872
Plus: Interest and Penalties	2	$ 5,177	$ 2,868	$ 8,045
Total Amounts Due for Franchise Fees, Interest and Penalties		$ 19,121	$ 15,796	$ 34,917

SUMMARY OF PROCEDURES

In connection with this engagement, we performed the agreed-upon procedures noted below to determine if Comcast paid the City the appropriate franchise fees for the two year period from January 1, 2004 through December 31, 2005. A substantial number of these procedures were performed by Mr. John Risk of CSG and Mr. William S. Morgan, CPA, of Diehl, Evans & Company, LLP.

1. We obtained copies of the City's cable television franchise agreement (Ordinance 10399 C.M.S.); transfer agreements (74792CMS – 1999 Change of Control TCI-ATT Resolution and 77279CMS – 2002 ATT Comcast Resolution), and governing policies under the City's Municipal Code (Title 5. Chapter 16).

2. We prepared and forwarded a subscriber revenue questionnaire, a cable launch fee document request form, and two advertising questionnaires to Comcast.

3. We reviewed the franchise and transfer agreements between the City and Comcast to identify definitions of "gross revenues," franchise fee rates, late payment provisions, etc.

4. We reviewed Comcast's internal control systems and procedures related to the billing and cash collection of cable revenues.

5. We identified the various types of revenue recorded by Comcast.

6. We identified Comcast's method for the allocation of non-subscriber revenues between franchise areas (such as Home Shopping revenues).

7. We reviewed Comcast's method for identifying and matching subscribers to the proper franchise area.

8. We reconstructed the amount of subscriber revenues based on data from the Company's outside service bureau.

9. We reviewed Comcast's procedures for recording advertising revenue in its accounting system.

10. We tested to determine if Comcast has been paying franchise fees on franchise fee revenues for the period January 1, 2004, through December 31, 2005.

11. We tested the mathematical accuracy of selected remittances to the City for the period January 1, 2004, through December 31, 2005.

SUMMARY OF PROCEDURES (CONTINUED)

CSG also sent follow-up correspondence via email to Comcast's accountants. Comcast's staff were diligent and timely in their responses. Comcast representatives that participated in this review included:

- Laurie Bednar Staff Senior Accountant, West Division (Denver)
- Mr. Johnnie Giles, Vice President, Government Affairs, West Division
- Ms. Cheryl Hills, Director of Government Affairs, East Bay
- Ms. Robin Pepper, Director, Rates and Regulations, West Division (Denver)
- Ms. Jan F. Stenzel, CPA, CMA, Accounting Manager, West Division (Denver)

SUMMARY OF FINDINGS

DEFINITION OF "GROSS REVENUES" FOR PURPOSES OF THIS REPORT

For purposes of this report, the definition of "Gross Revenues" is governed by Ordinance 10399 C.M.S. Section 1.001 (23). Pursuant to this section, the definition of "Gross Revenues" means:

> "Gross Revenues" shall mean all **cash**, **credits**, property of any kind or nature **or other consideration received** directly or indirectly by a Franchisee, its affiliates, subsidiaries, parent, and any other person or entity in which the Franchisee has a financial interest or which has a financial interest in the Franchisee, **arising from or attributable to operation of the Cable Television System**, including, but not limited to: (i) revenue from all services provided by the Cable Television System; (ii) advertising revenues; (iii) revenue from the use of studio facilities, production equipment and personnel; (iv) revenue from installation, connection and reconnection, and the provision of subscriber and other services. "Gross Revenues" shall include, valued at fair market value, the value of any goods, services or other remuneration in non-monetary form received by the Franchisee or others described above in consideration for performance by a Franchisee or others described above of any advertising or other service in connection with the Cable Television System". (**Bolding ours**)
>
> "Gross Revenues" shall not include: (i) any taxes on services furnished by the Franchisee which are imposed directly upon any subscriber or user by the United States, State of California, City, or local agency and collected by the Franchisee on behalf of the government; (ii) revenue received directly from the Franchisee by an affiliate, subsidiary or parent of the Franchisee or any other person or entity in which the Franchisee has a financial Interest or which has a financial interest in the Franchisee, when the revenue received has already been included in reported Gross Revenue as received by the Franchisee; and (iii) revenue received by such an affiliate, subsidiary, parent, person or entity when the revenue received is from the sale of national advertising shown on programs distributed on a national basis by the affiliate, subsidiary, parent, person or entity, except that portion of the revenue attributable to broadcasts through the Cable Television System would be treated as Gross Revenue; (iv) the sale, exchange or cablecast of any programming developed for the community use or institutional users.

TIMELINESS OF PAYMENTS

Comcast was found to have made payments timely. Based on a review of checks, we found that all payments were made within 30 days after the end of the quarter.

SUBSCRIBER REVENUES

The City of Oakland franchise fees are calculated on a cash basis. Comcast calculates the fees owed on subscriber revenues using data obtained from a third party billing system reports known as CPSM 300 reports. Comcast provided us copies of electronic files to support the franchise fee payments. As noted under the Summary of Procedures on page 3, our review of subscriber revenues included a comparison of amounts reported to the City by Comcast on the Company's "Trend Report" with amounts independently calculated from data generated by the Company's outside service bureau (CSG Billing System Reports 300 and 318).

Franchise fees are not calculated on non-regulated high speed data revenues (a.k.a cable modem service). Since, the billing system reports discussed above include revenues for high speed data, it becomes necessary to adjust the report total by the amount of revenues attributable to high speed data. We sampled Comcast's calculations for three months of each year and found their calculations to be acceptable. Additionally, franchise fees are not calculated by Comcast on utility taxes collected by Comcast. We also tested Comcast's calculations and found them acceptable.

Additionally, we looked into whether bundled pricing might have an effect on the revenues reported by Comcast. We found that Comcast did not have bundle discount packages during the audit period, so an allocation involving internet services and digital voice revenue is not necessary.

In conclusion, Comcast was found to be remitting subscriber receipts very accurately for the audit period. The following chart summarizes our findings associated with subscriber revenues:

SCHEDULE 1

CITY OF OAKLAND

SCHEDULE OF UNDER REPORTED SUBSCRIBER REVENUES FOR THE CALENDAR YEARS 2004 AND 2005

	Calendar Year 2004	*Calendar* Year 2005	Audit Period Total
Under Reported Subscriber Revenue	$ (2,199)	$ 3	$ (2,196)
Estimated Additional Franchise Fee Liability	$ (110)	$ 0	$ (110)

DETAILS			
Subscriber Revenue			
Based on Billing System	45,976,159	49,273,045	95,249,204
Based on Remittance	45,978,358	49,273,043	95,251,401
Under Reported Subscriber Revenue	(2,199)	3	(2,196)
Franchise Fee Calculation			
Based on CPSM-318	2,298,808	2,463,652	4,762,460
Based on Remittance	2,298,918	2,463,652	4,762,570
Estimated Additional Franchise Fee Liability	(110)	0	(110)

Bad Debt

Comcast, for purposes of paying franchise fees to the City of Oakland calculates payments on a cash receipts basis. Any bad debts incurred in the period are excluded. However, any bad debts recovered during the period are included. Comcast provided us copies of CPSM 318 reports to document refunds and bad debt recovery during the audit period. We found no major discrepancies with Comcast's reporting of bad debt recoveries.

Address Verification

CSG received a database of homes passed from Comcast. This database included 179,895 residential units. CSG requested a list of 100 addresses from the City showing certain high density housing units located within the City limit near Oakland's City border. The City was able to produce a database of 1,200 addresses, but the file was too large for the City to transmit electronically in time for the deadline of this report. The intention of this address analysis is to cross-tabulate the City's addresses for discrepancies against the Comcast list for the purpose of producing a set of potentially omitted residential subscriber addresses. Given that this analysis could not be completed at the time this report is issued, CSG recommends that the City reserve its rights to complete the analysis at a later date and advise Comcast of any additional franchise fees that may become due based on the analysis.

We are willing to complete this review and amend our report as add-on work at a later date.

CABLE LAUNCH FEES AND OTHER MARKETING CREDITS

Overview

In connection with this engagement, we reviewed Comcast's accounting and reporting procedures with respect to cable launch fees and other marketing credits. This section of our report sets discusses the definition of "gross revenues" as it relates to cable launch fees and similar types of marketing credits, certain background information on which our analysis was based and our findings and conclusions.

Definition of "Gross Revenues" For Purposes of Our Review

It is the position of the Oakland City Attorney that the definition of "Gross Revenues" is governed by Ordinance 10399 C.M.S. Section 1.001 (23). Pursuant to this section, the definition of "Gross Revenues" begins with the following wording:

"Gross Revenues" shall mean all **cash**, **credits**, property of any kind or nature **or other consideration received** directly or indirectly by a Franchisee, its affiliates, subsidiaries, parent, and any other person or entity in which the Franchisee has a financial interest or which has a financial interest in the Franchisee, **arising from or attributable to operation of the Cable Television System**, including, but not limited to........". (**Bolding ours**)

General Discussion of Cable Launch Fees and Marketing Credits

When a new channel is launched on a cable system, the cable operator and cable network will enter into a programming agreement. Under a typical programming agreement, a cable company agrees to carry a network's channel on its cable system over a multi-year period, and the cable operator agrees to pay a specified amount per subscriber per month to the network for the right to carry such programming. The amount per month is generally based on the programmers "rate card", or an adjusted amount based on negotiations between the cable company and the network. Also, in connection with the launch of a new network, it is not uncommon for the cable network to offer incentives, such as cable launch fees and marketing credits. Such fees may be intended to provide general compensation to the cable company, or to reimburse the cable company for up-front promotional costs that are incurred to launch the new channel.

Comcast's Position With Respect to the Reporting of Cable Launch Fees and Other Marketing Credits for Franchise Fee Purposes

On prior cable franchise fee reviews of Comcast conducted by Communications Support Group, Inc. (CSG) and Diehl, Evans & Company, LLP (DE&CO), Comcast's attorneys have taken the following legal positions with respect to cable launch fees and other marketing credits:

1. For financial reporting purposes, Comcast must adhere to Generally Accepted Accounting Principles (GAAP), which are set forth by the Financial Accounting Standards Board (FASB) and the SEC. Under GAAP, cable launch fees and similar marketing credits are not classified as "gross revenue", but rather are treated as a reduction of programming costs.

2. According to Comcast's attorneys, launch fees are considered to be either:

   - A "discount" off of the network's standard "rate card", (i.e., a negotiated reduction of programming costs), or
   - A "reimbursement" for promotional costs incurred by the cable operator when the network is launched or repositioned.

For purposes of this report, we have assumed that Comcast is still taking the legal positions as described above.

Position With Respect to the Reporting of
Cable Launch Fees and Other Marketing Credits for Franchise Fee Purposes

The City applies a simple three-part test to determine if cable launch fees and other marketing credits should be reported as gross revenues for franchise fee purposes:

1. If the City's "Gross Revenue" definition does not require the use of GAAP, and
2. If launch fees and other marketing credits are either received in cash or recorded as "credits" against costs or expenses, and
3. If underlying agreements with the programmers provide that such launch fees or marketing credits are general or fixed amounts that are not specifically identified as a mandatory reimbursement of specific costs or expenses,

then cable launch fees and marketing credits should be reported as gross revenues for franchise fee purposes.

Comparison of
"Cash Basis" vs. "GAAP Basis"
(Accrual Basis) Accounting

A general comparison of "cash basis" accounting versus "GAAP basis" accounting follows.

With respect to cable subscriber revenues, GAAP normally refers to the "accrual basis" of accounting, under which revenue is recognized in the income statement when "earned;" that is, in the accounting period when the cable service is provided, rather than when received in cash. Therefore, when the cable company sends a bill to the customer, the company records an accounts receivable on its balance sheet, and records the revenue on its income statement. The company also records an estimated "allowance for doubtful accounts" as a reduction of receivables and as an expense on its income statement. Under the cash basis, the Company would merely report what it receives in cash, including bad debt recoveries. With regard to general subscriber revenues, the City does not have a strong preference for either method. Over a number of years, the amount of cable subscriber revenue reported to the City should about even out.

With respect to cable launch fees, GAAP generally dictates that such fees be recorded for accounting and financial reporting purposes as a reduction of programming or marketing expenses. However, there is not total agreement on this issue within the cable industry. For example, in prior years, Charter and Time Warner have both reported a portion of cable launch fees as advertising revenues. Thus, the underlying agreement with the programmers would need to be reviewed to determine whether the appropriate treatment for GAAP would be revenue or an expense reimbursement.

Definition of "Gross Revenues" For Franchise Fee Purposes, Per the Fifth Circuit Court

In the 1997 Fifth Circuit Court decision "City of Dallas vs. FCC," 118 F.3d 393, the Court considered various definitions and phrases in defining the term "gross revenues" for purposes of reporting franchise fees. While the Court did reference GAAP in its considerations, this was not the primary test for defining gross revenues. Among other definitions and phrases were the following:

- The Court referenced the "gross revenues" definition in Black's Law Dictionary, meaning "**receipts** of a business before deduction for any purpose except those items specifically exempted."
- Also, the Court referenced definitions of "gross revenues" in two previous court cases. In Veterans Rehabilitation Center, Inc., the term gross revenues means "**gross receipts** of a business before deduction for any purpose except those items specifically exempted." And in Lane Electric Cooperative, the term "all gross revenue... is to be construed in the broadest sense i.e., all money **received**."
- The Circuit Court used the following three phrases to express its opinion:
- "We hold that cable operator's gross revenue includes all revenues, without deduction."
- "The phrase "gross revenue" has a generally accepted meaning: unless expressly limited by the terms of a statute, regulation or **contract**, gross revenues means all amounts **received** from operation of a business, without deduction."
- "In conclusion, gross revenue normally includes all revenue **collected** from any source."

Accordingly, the Court concluded that amounts **"collected"** or "**received**" (i.e., cash receipts) would be the proper basis for reporting revenues subject to franchise fees. The Court further stated that the definition of gross receipts could be determined by contract.

Information and Documents Requested in Connection With This Review

In connection with our review, we requested the following information and documents:

1. A listing of all channels launched or repositioned in the geographic area covered by the City of Oakland during the period from January 1, 2004 through December 31, 2005. (This information was provided to us.)
2. A schedule of all launch fees (cable launch fees and marketing credits) either **received in cash or credited against a cost or expense account** by Comcast, or any affiliate, for the period January 1, 2004, through December 31, 2005, related to channels launched or repositioned in the geographic area of the City of Oakland. (This information was provided to us.)
3. In order to ascertain if there was a true expense reimbursement element to the launch fee or marketing credit arrangements, we requested copies of the underlying agreements or contracts with programmers. Comcast officials have advised us that copies of programming agreements will not be provided for our review, as they are proprietary and confidential.

Findings and Conclusions

Based on the City's definition of "gross revenues", it is our opinion that cable launch fees and other marketing credits that are not designated as mandatory expense reimbursements in programming agreements are clearly reportable to the City for franchise fee purposes. Also, because Comcast has not provided copies of programming agreements, we have assumed that all cable launch fees and other marketing credits are reportable.

Because Comcast officials consider cable launch fee information to be confidential and proprietary, no detail schedules regarding cable launch fees have been included in this report.

As a result of our review, we have concluded that gross revenues from cable launch fees and other marketing credits was under reported by $ 281,079 in 2004 and $258,547 in 2005. Franchise fees payable to the City on these amounts are $14,053.93 and $12,924.76 respectively.

ADVERTISING REVENUES

As a result of our review, we found that the allocations of net advertising revenues to the City of Oakland were fair and reasonable for the calendar years 2004 and 2005. Accordingly, no findings resulted from on testing of net advertising revenues.

HOME SHOPPING REVENUES

Our review of home shopping revenues for the calendars years 2004 and 2005 included The Home Shopping Network, QVC and other shopping channels.

As a result of our review, we found the allocations to the City of Oakland to be fair and reasonable. Accordingly, no findings resulted from our testing of home shopping revenues.

TOWER RENTALS

Regarding tower rentals, Comcast officials have provided us with a written representation that, with respect to calendar years 2004 and 2005:

1. There were no tower lease revenues related to sites within the City of Oakland;

   and

2. Even if such revenue were received, it is the position of Comcast officials that, because towers are not used for the transmission of a cable service, any revenues from tower rentals would not be subject to franchise fees reported to the City.

Accordingly, there are no findings in this report related to tower rentals.

INTEREST AND PENALTIES

Ordinance 10399 C.M.S. Section 6.008 entitled "Delinquent Fees - Limitations - Damages" states, in part, as follows:

> 6.008 DELINQUENT FEES - LIMITATIONS - DAMAGES.
>
> ...Delinquent franchise fees shall bear interest at an annual rate equivalent to that Federal Reserve Discount Rate on advances to member banks in effect on January 2, April 1, July 1, and October 1 for the succeeding quarter of delinquency. The interest shall be compounded quarterly at the end of each quarter. in addition to interest as above prescribed, a twelve percent (12%) per annum penalty shall be paid on all delinquent franchise fees in recognition of the fact that fluctuating interest rates on borrowed funds make it impossible to establish a reliable interest rate standard as a measure of damage for delinquency in the payment of franchise fees, and other elements of damage arising out of such delinquency which are subjective and impossible to estimate such as the inadequacy of revenue with which to appropriately administer and enforce the franchise.

Schedule 2 summarizes penalties and interest related to delinquent franchise fees:

SCHEDULE 2

CITY OF OAKLAND

SCHEDULE OF INTEREST AND PENALTIES
FOR THE CALENDAR YEARS 2004 AND 2005

Description	Calendar Year 2004	Calendar Year 2005	Audit Period Total
Total Under Paid Franchise Fees (Per Executive Summary)	$ 13,944	$ 12,928	$ 26,872
Interest and Penalties, Per Ordinance 10399, Section 6.008:			
Interest			
Computed at the average Federal Reserve Discount Rate, compounded quarterly (Note 1)			
2004 - Interest computed from 7/1/2004 through 9/30/2006:			
$ 13,944 x 4.5% x 2.25 years =	$ 1,412		
2005 - Interest computed from 7/1/2005 through 9/30/2006:			
$ 12,928 x 5.75% x 1.25 years =		$ 929	
Penalties (at 12% per Annum):			
2004: $ 13,944 x 12% x 2.25 years =	3,765		
2005: $ 12,928 x 12% x 1.25 years =		1,939	
Total Interest and Penalties	$ 5,177	$ 2,868	$ 8,045

Note 1: See Federal Reserve Bank of New York website, "Table of Historical Changes in the Target Federal Funds and Discount Rates", at: www.newyorkfed.org/markets/statistics/dlyrate.html.

RIGHTS TO AUDIT ADDITIONAL YEARS

Given the favorable findings from under reported revenues related to cable launch fees, CSG recommends that the City complete reviews of cable launch fee revenues for calendar years 2001-2003. Ordinance 10399 C.M.S. Section 6.008 entitled "Delinquent Fees - Limitations - Damages" states, in part, as follows:

> The period of limitation for recovery of any franchise fees payable pursuant to the provisions of Sections 6.002 above shall be five years from the date on which the payment by the Franchisee is due. Unless within five years from said date the City Council initiates recovery pursuant to the provisions of Section 6.010 below, recovery shall be barred...

When we first began this audit, CSG advised Comcast that the review period would be for a five-year period, calendar years 2001-2005, and that the review would commence in two phases, 2001-2002 first, then followed by a review of 2003-2005. Comcast requested that the first phase focus on 2004-2005 because they could commit to a 30 day document request timeline for records related to 2004-2005, but not for records associated with 2001-2002, a period when AT&T owned the system. We reviewed the matter of beginning the review for calendars 2004-2005 with the City and the decision was made by the Auditor's Office to review 2004-2005 first, with the caveat that the City would retain its rights to audit 2001-2003 at a later time.

Additionally, CSG reviewed the matter of the audit period directly with Johnnie Giles (Comcast's Area VP for Governmental Affairs), Cheryl Hills (Comcast's East Bay Director of Governmental Affairs Manager), and Steve Holmes (Comcast's West Division Governmental Affairs Legal Advisor) regarding Oakland's audit period. However, Comcast's representatives objected to having 2001 included in the audit period as portions of the year are now outside of five years from today's date. Accordingly, Comcast did not sign the acceptance of the email that we sent Robbin Pepper and Jan Stenzel on August 17, 2006 regarding a reservation of rights to extend the audit for a period of 5 years. We advised the City to this effect and recommended that the Auditor's Office seek an opinion from the City Attorney's Office regarding the matter of 2001.

Similarly, we also recommended that the City Attorney's Office opine on the matter of reservation of rights contained in the past two transfer agreements regarding past owed franchise fees[1]. Johnnie Giles indicated that he has provided the Auditor's Office with a

[1] Both transfer agreements and the yet to be approved March 17, 2005 MOU contain language reserving City rights to settle claims for failure to pay franchise fees or other sums due thereunder. Specifically, page 7 (Section 1.10) of the July, 2002 settlement Agreement between AT&T Broadband and the City stipulate rights associated with $162,623 plus interest and penalties as set forth in a letter from Roland Smith to Stacie Kelly dated January 31, 2001; and page 4 (Section 2.3) of the 1999 TCI-ATT transfer agreement stipulate that $225,000 was placed in an escrow account associated with claims by the City related to unpaid franchise fees.

letter from Kent Leacock stipulating a final settlement with regard to past franchise compliance matters. He recalls having discussed with the Auditor an understanding that the settlement check provided to the City (whether cashed or not) was inclusive of any amounts owed the City for past-due franchise fee amounts prior to the AT&T Comcast merger.

Regardless, we recommend that the City commences an audit of cable launch revenues for 2001, 2002, 2003. We further suggest that the City engage us to complete the review of addresses and to notify of Comcast of any findings associated therewith.

However, as it pertains to the findings contained in this report, we suggest that the City send a formal letter to Comcast along with a demand for the franchise fees and interest found owed to the City in accordance to the table on page 2 of the report.

END OF REPORT