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CONTACT:
BACP Jennifer Lipford
312.744.5365
jennifer.lipford@cityofchicago.org

## MAYOR EMANUEL AND THE DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION INTRODUCE NEW FRANCHISE AGREEMENT

*Franchise Renewal Agreement with RCN to Benefit City's Public, Educational and Government Programming*

Mayor Rahm Emanuel and the Department of Business Affairs and Consumer Protection (BACP) introduced TODAY a 10 year franchise renewal agreement with RCN Cable, a cable service provider in the City of Chicago.

According to Commissioner Rosemary Krimbel, "The renegotiation of our cable franchises ensures that the City and its cable providers work together to secure the future of PEG programming that benefit the City at large."

Benefits include:
- Expanding the definition of gross revenues, enabling the city to collect revenue from premium services such as video on demand.
- Reducing the franchise renewal agreement from 15 years to 10 years to keep the agreements current with market trends.
- Elimination of unnecessary procedural requirements by the cable operators themselves and the City.

Under the new franchise agreement, RCN agrees to pay the City and CAN TV a total of 1% of gross revenues as compensation to fund PEG (public, educational and government) programming on the City's three municipal cable channels and CAN TV's five public cable channels.

This new compensation structure, which is tied to the cable operator's revenue and allows future payment levels to increase as industry revenue grows, represents a change from the last 10 years when RCN paid the City and CAN TV a fixed dollar amount per year in PEG fees.

The new franchise also requires PEG channels to be provided at equivalent audio and visual quality and functionality as compared to commercial channels.

This increase in funding and quality assurance is necessary in order to update, expand and improve this important public function.

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