SEATTLE CITY COUNCIL
CENTRAL STAFF

March 9, 2026

M E M O R A N D U M

To: Governance and Utilities Committee
From: Brian Goodnight, Analyst
Subject: CB 121163: Comcast Cable Franchise Amendment

On March 12, 2026, the Governance and Utilities Committee (Committee) will continue its consideration of Council Bill (CB) 121163 that would amend the City's cable television franchise agreement with Comcast Cable Communications Management, LLC (Comcast) to extend the agreement for an additional seven years. Seattle Information Technology (Seattle IT) briefed the Committee on the proposed bill and franchise amendment at the Committee's February 12 meeting.

This memorandum provides background information on current franchises and the City's role in cable franchising, summarizes the proposed bill, and describes proposed changes to the franchise agreement's terms.

Background

The City currently has two cable television franchisees serving the city's residents: Comcast and Astound Broadband (formerly Wave). The franchise agreement with Comcast was approved by the Council in 2015 via ORD 124957, and the franchise agreement with Astound was approved in 2017 via ORD 125403, with each having a term of ten years.

The Comcast agreement is the first of the two franchises to reach the end of its ten-year term, which occurred on January 20, 2026. The City and Comcast have agreed to a temporary extension, however, until the earlier of April 20, 2026, or the date that the franchise amendment under consideration in CB 121163 becomes effective.

Although the action under consideration in CB 121163 is a franchise amendment and not a renewal, the City and Comcast followed the federally specified rules for commencing a franchise renewal. Federal law[1] allows cable operators to pursue franchise renewals through either a formal or an informal process. In this case, Comcast and the City took the necessary actions to begin the formal renewal process while also engaging in informal negotiations.

Consistent with the formal process, in February 2023, Comcast submitted a letter to the City requesting the commencement of renewal proceedings. In July 2023, via RES 32095, the Council acknowledged receipt of Comcast's letter, commenced renewal proceedings, and authorized the Executive to begin the renewal process. Ultimately, the negotiations were completed under the informal renewal procedures.

[1] 47 U.S.C. Section 546

Federal law controls many aspects of cable operations, leaving local franchising authorities, like the City, limited discretion when deciding to grant or deny a franchise. For example, rates charged for cable services are regulated almost completely by federal law. Additionally, although the City cannot require specific public benefits, it can negotiate for them as part of a renewal process. The City does control customer service requirements, however, which are codified in SMC 21.60.800, and are commonly known as the Cable Customer Bill of Rights (CCBOR).

To inform these negotiations, Seattle IT's Office of Cable Communications conducted an assessment, known as an ascertainment report, to evaluate Comcast's service performance, regulatory compliance, and alignment with community needs. Among other activities, the assessment included a resident survey and community listening sessions. The assessment identified community interests, including support for access to public, educational, and governmental (PEG) channels, discounts for low-income residents, and free or low-cost cable modem services for schools, community centers, and non-profits.

Bill Summary

CB 121163 authorizes the Mayor, or the Mayor's designee, to execute the negotiated amendment to the cable television franchise agreement with Comcast, which is attached to the bill as Attachment A. Additionally, the City's Chief Technology Office is authorized to enter into other agreements with Comcast for the purpose of implementing or administering the franchise agreement.

An example of one of these "other agreements" is the Memorandum of Agreement (MOA) that is attached to the bill's Summary and Fiscal Note as Attachment A. The MOA would commit the City and Comcast to developing an audit program to address infrastructure issues, leading Comcast to identify and repair issues related to electrical grounding at multi-family buildings, as well as committing the City to seek amendments to the CCBOR related to billing cycles. The MOA would also recommit Comcast to many elements initially enumerated in 2015 related to its provision of complimentary cable and high-speed internet service to schools, non-profits, libraries, and other community institutions in support of the City's Digital Equity Initiative.

In addition to authorizing the execution of agreements, the bill also makes two changes to Section 21.60.050 of the Seattle Municipal Code (SMC):

1. Franchise Fee – The bill would increase the franchise fee to operate a cable system within the city from 4.4 percent of gross revenues to 5.0 percent of gross revenues. Federal law caps the franchise fee that a local franchising authority can charge a cable operator at five percent.

   It is important to note that since the franchise fee percentage is set in code, it does not require negotiation with cable operators. It may, however, impact negotiations in terms of the other public benefits that a cable operator is willing to accept in the franchise agreement. Additionally, since the franchise fee percentage is located outside of the franchise agreements, modification of the franchise fee will impact Comcast as well as the City's other cable franchisee, Astound Broadband.

According to Seattle IT, the increased franchise fee is estimated to generate an additional $400,000 in 2026, with about 97 percent of those revenues being generated from the Comcast franchise. This estimate also only accounts for a partial year of the increased rate due to the timing of the agreement's potential approval. Consistent with recent history, franchise fee revenues generally are expected to continue to decline as customers switch away from traditional cable television service towards streaming options.

2. Franchise Duration – The bill would increase the maximum cable franchise duration from 15 years to 17 years. CB 121163 would authorize execution of a franchise amendment with Comcast that would extend the current 10-year franchise for seven additional years, resulting in a total duration of 17 years. Federal law does not limit the length of cable franchises, although franchises are traditionally granted for between 10-15 years.

Proposed Changes to Franchise Agreement

As presented by Seattle IT at the Committee's February 12 meeting, the majority of the benefits contained in the current franchise are maintained in the proposed amended version. This includes the continued availability of a discounted service rate to residents eligible for the City's Utility Discount Program, complimentary cable connections and service to schools and City buildings, free internet connections for non-profit organizations, and signal quality for PEG channels comparable to commercial channels.

Besides increasing the term of the franchise for an additional seven years and making some technical changes regarding corporate locations and contacts, significant changes contained in the franchise amendment include the following:

- PEG Fee – The amendment would increase the percentage of gross revenues that Comcast pays to the City on a monthly basis in support of PEG access. The current franchise specifies a PEG fee of 0.4 percent of gross revenues, and the amendment would increase this to 0.6 percent of gross revenues.

  The PEG Fee revenues may be used to support capital costs for the Seattle Channel and other PEG providers, such as channels from Seattle Public Schools, Seattle Community Colleges, and King County TV. Seattle IT estimates that the increase to a 0.6 percent PEG Fee will generate an additional $128,000 in revenues in 2026.

- Complimentary Cable Service Offset – An additional paragraph would be added to Section 6.9 of the franchise agreement stating Comcast's ability, per a 2019 order of the Federal Communications Commission (FCC)[2], to elect to offset the incremental cost of providing Complimentary Cable Services from its required franchise fees as an in-kind benefit. In this instance, Comcast would need to provide the City with at least 120 days' notice, and the City could choose to modify the list of locations receiving complimentary service.

[2] Federal Communications Commission, Third Report and Order in MB Docket No. 05-311

- PEG Access Benefits Exempt from In-Kind Status – Section 6.12 of the existing franchise agreement contemplates the treatment of complimentary cable service costs in the event that the City increases the franchise fee up to the statutory maximum. Along with the proposal to increase the franchise fee to five percent, the amendment would replace Section 6.12. The new language provides that certain costs and benefits related to PEG access will be considered by Comcast as a business expense and not as an in-kind benefit to offset the franchise fee. Included in this provision are elements such as signal quality, interconnections, technical quality, and CCBOR requirements.
- Arbitration – The amendment would delete Section 20.2 from the agreement related to arbitration. The removal of this provision does not preclude informal dispute resolutions, including arbitration, but removes the requirement to arbitrate certain matters.

Next Steps

The Committee is scheduled to hold a public hearing, discuss, and possibly vote on CB 121163 at its meeting on March 12. If the Committee votes to recommend passage of the bill at that time, the City Council could consider the legislation at its meeting on March 24[3], at the earliest.

cc: Lish Whitson, Director
Calvin Chow, Deputy Director

[3] Article IV, Section 10 of the City Charter requires a minimum of 30 days between a franchise bill's introduction and final passage. CB 121163 was introduced on February 17. Due to the shorter month of February, the Council's March 17 meeting occurs only 28 days after the bill's introduction.