Response to Questions on the FY 2006 Advertised Budget Plan

Request By: Supervisor DuBois

Question: What does the cable franchise agreement reference in terms of funding for the Fairfax Cable Access Corporation?

Response: The cable franchise agreement with Cox Communications (previously Media General) requires Cox Communications to provide support for public access programming in an amount equal to 0.8 percent of Cox's gross annual cable-related revenues. In FY 2004, that support was approximately $1.2 million. Fairfax Cable Access Corporation (FCAC) is the recipient of those funds through a contract with Cox Communications. According to the franchise agreement, these fees are paid directly from Cox Communications to FCAC. An audit conducted by staff indicates that approximately $8 million has been paid by Cox Communications to FCAC for this purpose since FY 1998.

FCAC's testimony at the April 6, 2005 Budget Public Hearing, included a reference to the community needs assessment that was the subject of a staff report dated July 23, 1997, which was written to support the cable franchise renegotiation. In that report, staff noted that the identified needs for public access included an additional $2 million over 15 years (or $133,333 per year) that could be provided to FCAC for refurbishment, replacement and upgrading of FCAC equipment. However, the Board of Supervisors approved a franchise agreement on May 11, 1998 that included a public access funding requirement of 0.8 percent of Cox's gross annual cable-related revenues. As stated above, this funding has been provided directly by Cox Communications to FCAC. Therefore, no additional funding is owed to FCAC because additional funds identified in the needs assessment were not included as part of the franchise agreement.