

RESOLUTION NO. 658

A RESOLUTION OF THE CITY OF WILSONVILLE (1) CONSENTING TO THE TRANSFER OF THE CABLE TELEVISION FRANCHISE HELD BY TIDEL COMMUNICATIONS, INC., TO WILLAMETTE CABLE TV, INC.; (2) CONSENTING TO A CHANGE IN CONTROL OF WILLAMETTE CABLE TV, INC.; (3) AUTHORIZING AMENDMENT OF THE CABLE COMMUNICATIONS SYSTEM FRANCHISE AGREEMENT; (4) AUTHORIZING THE METROPOLITAN AREA COMMUNICATIONS COMMISSION TO ENTER A MEMORANDUM OF UNDERSTANDING WITH WILLAMETTE CABLE TV, INC.; AND (5) AUTHORIZING THE AMENDMENT OF THE INTERGOVERNMENTAL COOPERATION AGREEMENT BETWEEN THE METROPOLITAN AREA COMMUNICATIONS COMMISSION AND ITS MEMBER JURISDICTIONS.

WHEREAS, the City of Wilsonville, (Washington and Clackamas Counties) is a member of the Metropolitan Area Communications Commission (MACC); and

WHEREAS, the members of MACC entered into a Cable Communications System Franchise Agreement (Franchise Agreement) with Storer Metro Communications, Inc. (Storer); and

WHEREAS, the members of MACC approved the transfer of the cable television franchise from Storer to Tidel Communications, Inc. (Tidel), and authorized Tidel's assignment of the franchise operation to Willamette Cable TV, Inc. (Willamette); and

WHEREAS, pursuant to Section 3.5 and Section 3.6 of the Franchise Agreement, Tidel has requested that the cable television franchise be transferred to Willamette and that there be a change in the control of Willamette, Willamette to become a corporation wholly owned by Columbia Cable of Oregon (Columbia); and

WHEREAS, MACC considered the request, determined Columbia has the legal, technical and financial qualifications to operate the cable system according to the terms and conditions of the Franchise Agreement, and by adoption of MACC Resolution No. 88-02

(MACC Resolution), attached and incorporated herein, recommended to its member jurisdictions that they consent to the transfer of the franchise and to the change in ownership of Willamette and that, in conjunction therewith, the member jurisdictions authorize amendments to the Franchise Agreement, authorize MACC to enter a Memorandum of Understanding with Willamette and authorize the amendment of the Intergovernmental Cooperation Agreement establishing MACC; and

WHEREAS, the City Council deems it to be in the furtherance of the public interest and welfare of its citizens to consent to the transfer of the franchise, to consent to the change in ownership of Willamette, to authorize the recommended amendments to the Franchise Agreement, to authorize MACC to enter the Memorandum of Understanding with Willamette, and to authorize the recommended amendment of the Intergovernmental Cooperation Agreement establishing MACC.

NOW, THEREFORE, BE IT RESOLVED by the Wilsonville City Council as follows:

A. The City Council hereby consents to the transfer of the cable television franchise now held by Tidel to Willamette, and the change in control of Willamette whereby Willamette would become a corporation wholly owned by Columbia.

B. This consent is contingent upon the unanimous consent of the MACC jurisdictions to the transfer.

C. This consent is contingent upon Columbia's filing of the following documents with MACC as set forth in paragraph F of the MACC Resolution:

1. Formal acceptance of the Franchise Agreement, indicating Columbia's agreement that Willamette will be bound by all the terms and conditions thereof.

2. Formal acceptance of the proposed amendments to the Franchise Agreement, indicating Columbia's agreement that Willamette will be bound by all

the terms and conditions thereof as with all other terms and conditions of the Franchise Agreement.

3. Formal acceptance of the Memorandum of Understanding between MACC and Willamette indicating Columbia's agreement that Willamette will be bound by all the terms and conditions thereof.

4. A certificate of insurance pursuant to Section 9.5 of the Franchise Agreement.

5. Evidence that a security fund of \$100,000 has been deposited in a bank account maintained by MACC, pursuant to Section 9.2 of the Franchise Agreement, as amended by the amendments to the Franchise Agreement.

6. Proof of the posting of a \$250,000 faithful performance bond, pursuant to Section 9.3 of the Franchise Agreement, as amended by the amendments to the Franchise Agreement.

7. Evidence that Columbia's financing for the purchase of the cable system and franchise is essentially the same as that presented to MACC, its staff, consultants and legal counsel, and evidence that such financing is secure and complete.

D. This consent is also contingent upon MACC's determination that all issues with Tidel have been resolved satisfactorily.

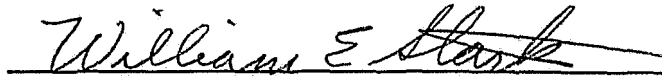
E. The City Council hereby consents to and authorizes the amendments to the Franchise Agreement, Exhibit 2 to the MACC Resolution.

F. The City Council hereby consents to and authorizes MACC to enter the Memorandum of Understanding with Willamette, Exhibit 3 to the MACC Resolution.

G. The City Council hereby consents to and authorizes the amendment of the Intergovernmental Cooperation Agreement establishing MACC as set forth in Exhibit 4 to the MACC Resolution.

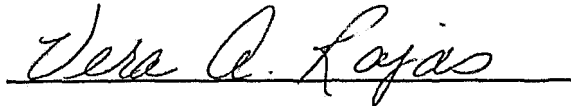
H. The Mayor is authorized to file an executed true and correct copy of this resolution with MACC.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 4th day of April, 1988, and filed with the Wilsonville City Recorder this same date.



WILLIAM E. STARK, Mayor

ATTEST:



VERA A. ROJAS, City Recorder

SUMMARY of Votes:

Mayor Stark	<u>AYE</u>
Councilor Edwards	<u>AYE</u>
Councilor Braymen	<u>AYE</u>
Councilor Clarke	<u>AYE</u>
Councilor Jameson	<u>ABSENT</u>

# MAC METROPOLITAN AREA COMMUNICATIONS COMMISSION

1815 N.W. 169th Place • Suite 6020 • Beaverton, OR 97006-4886 • 629-8534

March 1, 1988

RECEIVED

CITY OF WILSONVILLE

MAR 14 1988

CITY OF WILSONVILLE

Mayor Stark and Members of the Wilsonville City Council:

RE: Cable Television Franchise - Request for Consent

The Board of the Metropolitan Area Communications Commission (MACC) is recommending that the member jurisdictions give their consent to the Transfer of the Cable Television Franchise and Change of Control of Willamette Cable TV, Inc. (Tidel Communications), to Columbia Cable of Oregon. This recommendation is made following extensive review by the Board and MACC staff of Columbia's legal, technical and financial capability to operate the system according to the terms and conditions of the Franchise Agreement (originally granted in 1982). This packet of information contains a report on the Transfer, other information pertinent to that process, and MACC Resolution #88-02. That Resolution is the Commission's formal recommendation on the consent to the Transfer to the member jurisdictions. The packet also contains a draft "consent resolution" for your review and action.

Contained within the Resolution is a series of exhibits, one of which is a "Memorandum of Understanding" detailing numerous franchise issues resolved through negotiations with Tidel/Columbia. Also included are several Franchise Amendments for your consideration along with explanations of each Amendment.

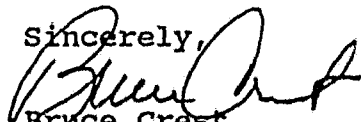
An additional report has also been included titled "Report on the Proposed Reorganization of Community Access Television and Local Origination Programming" which details the proposed structure for the reorganized Access/Local Origination Program reached through negotiations with Columbia Cable and recommended by the MACC Board. This reorganized Access/Local Origination program requires amendments to the Intergovernmental Cooperation Agreement between MACC and the member jurisdictions. Those amendments to the Agreement are included as an exhibit to the Resolution and will also need to be considered by your Council.

Upon action by your City Council, please execute and return two certified copies of the resolution to the MACC Administration office.

This matter has been scheduled on your agenda for April 4, 1988 at 7:30 pm. MACC staff and Commissioners will be available at that meeting to present this information and answer your questions. Columbia officials will also be present, if you request their presence through the MACC office. Please contact me if you have any questions.

Thank you for your consideration of these important issues.

Sincerely,

  
Bruce Crest  
Administrator

REPORT

TRANSFER OF THE CABLE TELEVISION FRANCHISE

and

CHANGE OF CONTROL

of

WILLAMETTE CABLE TV, INC.

(TIDEL COMMUNICATIONS, INC.)

to

COLUMBIA CABLE OF OREGON, INCORPORATED

By

METROPOLITAN AREA COMMUNICATIONS COMMISSION

MARCH 1988

ITEMS CONTAINED IN THE REPORT OF  
THE TRANSFER OF THE CABLE TELEVISION  
FRANCHISE AND CHANGE OF CONTROL OF  
WILLAMETTE CABLE TV, INC.

MARCH 1988

- DRAFT RESOLUTION FOR JURISDICTION ACTION  
"CONSENTING TO THE TRANSFER OF THE CABLE  
TELEVISION FRANCHISE" AND OTHER ISSUES
- MACC RESOLUTION #88-02 - RECOMMENDATION BY  
THE COMMISSION TO MEMBER JURISDICTIONS
- AGREEMENT TO AMEND THE CABLE  
COMMUNICATIONS SYSTEM FRANCHISE AGREEMENT
- MEMORANDUM OF UNDERSTANDING
- REVISED "INTERGOVERNMENTAL COOPERATION  
AGREEMENT" OF MACC
- "REPORT ON THE TRANSFER OF THE CABLE  
TELEVISION FRANCHISE AND CHANGE OF CONTROL  
OF WILLAMETTE CABLE TV, INC. TO COLUMBIA  
CABLE OF OREGON" (EXECUTIVE SUMMARY  
INCLUDED)
- "REPORT ON THE REORGANIZATION OF COMMUNITY  
ACCESS TELEVISION AND LOCAL ORIGINATION  
PROGRAMMING" (EXHIBITS INCLUDED)

CITY OF \_\_\_\_\_ (WASHINGTON COUNTY), OREGON

RESOLUTION NO. 88-\_\_\_\_

A RESOLUTION (1) CONSENTING TO THE TRANSFER OF THE CABLE TELEVISION FRANCHISE HELD BY TIDEL COMMUNICATIONS, INC., TO WILLAMETTE CABLE TV, INC.; (2) CONSENTING TO A CHANGE IN CONTROL OF WILLAMETTE CABLE TV, INC.; (3) AUTHORIZING AMENDMENT OF THE CABLE COMMUNICATIONS SYSTEM FRANCHISE AGREEMENT; (4) AUTHORIZING THE METROPOLITAN AREA COMMUNICATIONS COMMISSION TO ENTER A MEMORANDUM OF UNDERSTANDING WITH WILLAMETTE CABLE TV, INC.; AND, (5) AUTHORIZING THE AMENDMENT OF THE INTERGOVERNMENTAL COOPERATION AGREEMENT BETWEEN THE METROPOLITAN AREA COMMUNICATIONS COMMISSION AND ITS MEMBER JURISDICTIONS.

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WHEREAS, the City of \_\_\_\_\_ (Washington County) is a member of the Metropolitan Area Communications Commission (MACC); and

WHEREAS, the members of MACC entered into a Cable Communications System Franchise Agreement (Franchise Agreement) with Storer Metro Communications, Inc. (Storer); and

WHEREAS, the members of MACC approved the transfer of the cable television franchise from Storer to Tidel Communications, Inc. (Tidel), and authorized Tidel's assignment of the franchise operation to Willamette Cable TV, Inc. (Willamette); and

WHEREAS, pursuant to Section 3.5 and Section 3.6 of the Franchise Agreement, Tidel has requested that the cable television franchise be transferred to Willamette and that there be a change in the control of Willamette, Willamette to become a corporation wholly owned by Columbia Cable of Oregon (Columbia); and

WHEREAS, MACC considered the request, determined Columbia has the legal, technical and financial qualifications to operate the cable system according to the terms and conditions of the Franchise Agreement, and by adoption of MACC Resolution No. 88-02 (MACC Resolution), attached and incorporated herein, recommended to its member jurisdictions that they consent to the transfer of the franchise and to the change in ownership of Willamette and that, in conjunction therewith, the member jurisdictions authorize amendments to the Franchise Agreement, authorize MACC to enter a Memorandum of Understanding with Willamette and authorize the amendment of the Intergovernmental Cooperation Agreement establishing MACC; and

WHEREAS, the City Council (Board of County Commissioners) deems it to be in the furtherance of the public interest and welfare of its

RESOLUTION NO. 88-\_\_\_\_



citizens to consent to the transfer of the franchise, to consent to the change in ownership of Willamette, to authorize the recommended amendments to the Franchise Agreement, to authorize MACC to enter the Memorandum of Understanding with Willamette, and to authorize the recommended amendment of the Intergovernmental Cooperation Agreement establishing MACC;

NOW, THEREFORE, BE IT RESOLVED by the City Council (Board of County Commissioners) as follows:

A. The City Council (Board of County Commissioners) hereby consents to the transfer of the cable television franchise now held by Tidel to Willamette, and the change in control of Willamette whereby Willamette would become a corporation wholly owned by Columbia.

B. This consent is contingent upon the unanimous consent of the MACC jurisdictions to the transfer.

C. This consent is contingent upon Columbia's filing of the following documents with MACC as set forth in paragraph F of the MACC Resolution:

1. Formal acceptance of the Franchise Agreement, indicating Columbia's agreement that Willamette will be bound by all the terms and conditions thereof.

2. Formal acceptance of the proposed amendments to the Franchise Agreement, indicating Columbia's agreement that Willamette will be bound by all the terms and conditions thereof as with all other terms and conditions of the Franchise Agreement.

3. Formal acceptance of the Memorandum of Understanding between MACC and Willamette indicating Columbia's agreement that Willamette will be bound by all the terms and conditions thereof.

4. A certificate of insurance pursuant to Section 9.5 of the Franchise Agreement.

5. Evidence that a security fund of \$100,000 has been deposited in a bank account maintained by MACC, pursuant to Section 9.2 of the Franchise Agreement, as amended by the amendments to the Franchise Agreement.

6. Proof of the posting of a \$250,000 faithful performance bond, pursuant to Section 9.3 of the Franchise Agreement, as amended by the amendments to the Franchise Agreement.

7. Evidence that Columbia's financing for the purchase of the cable system and franchise is essentially the same as that presented to MACC, its staff, consultants and legal counsel, and evidence that such financing is secure and complete.

8. Payment by Columbia to MACC of \$22,500 as Columbia's contribution to the costs of the franchise transfer.

D. This consent is also contingent upon MACC's determination that all issues with Tidel have been resolved satisfactorily.

E. The City Council (Board of County Commissioners) hereby consents to and authorizes the amendments to the Franchise Agreement, Exhibit 2 to the MACC Resolution.

F. The City Council (Board of County Commissioners) hereby consents to and authorizes MACC to enter the Memorandum of Understanding with Willamette, Exhibit 3 to the MACC Resolution.

G. The City Council (Board of County Commissioners) hereby consents to and authorizes the amendment of the Intergovernmental Cooperation Agreement establishing MACC as set forth in Exhibit 4 to the MACC Resolution.

H. The Mayor (Chairman) is authorized to file an executed true and correct copy of this resolution with MACC.

Introduced and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

\_\_\_\_\_  
MAYOR (CHAIRMAN)  
CITY OF \_\_\_\_\_  
(WASHINGTON COUNTY)

ATTESTED BY:  
  
\_\_\_\_\_

METROPOLITAN AREA COMMUNICATIONS COMMISSION

RESOLUTION NO. 88-02

A RESOLUTION RECOMMENDING TO THE MEMBER JURISDICTIONS OF THE METROPOLITAN AREA COMMUNICATIONS COMMISSION THAT THEY (1) CONSENT TO THE TRANSFER OF THE CABLE TELEVISION FRANCHISE HELD BY TIDEL COMMUNICATIONS, INC. TO WILLAMETTE CABLE TV, INC.; (2) CONSENT TO THE CHANGE IN CONTROL OF WILLAMETTE CABLE TV, INC.; (3) AUTHORIZE AMENDMENT OF THE CABLE COMMUNICATIONS SYSTEM FRANCHISE AGREEMENT; (4) AUTHORIZE THE METROPOLITAN AREA COMMUNICATIONS COMMISSION TO ENTER A MEMORANDUM OF UNDERSTANDING WITH WILLAMETTE CABLE TV, INC.; AND, (5) THAT THEY AUTHORIZE THE AMENDMENT OF THE INTERGOVERNMENTAL COOPERATION AGREEMENT ESTABLISHING THE METROPOLITAN AREA COMMUNICATIONS COMMISSION.

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WHEREAS, the member jurisdictions of the Metropolitan Area Communications Commission (MACC) entered into a Cable Communications System Franchise Agreement (Franchise Agreement) with Storer Metro Communications, Inc., (Storer); and

WHEREAS, the members of MACC approved the transfer of the cable television franchise from Storer to Tidel Communications, Inc., (Tidel), and authorized Tidel's assignment of the franchise operation to Willamette Cable TV, Inc. (Willamette), a corporation wholly owned by Tidel; and

WHEREAS, pursuant to Section 3.5 and Section 3.6 of the Franchise Agreement, Tidel has requested the member jurisdictions' consent to the transfer of the television cable franchise to Willamette and to a change in control of Willamette whereby Willamette would become wholly owned by Columbia Cable of Oregon, a Delaware general partnership (Columbia); and

WHEREAS, MACC agreed to consider the request and determined that, because Willamette would be wholly owned by Columbia, MACC would need to ascertain if Columbia has the legal, technical and financial ability to operate the franchise under the terms and conditions of the Cable Communications System Franchise Agreement, as amended, (Franchise Agreement) between MACC's member jurisdictions and Tidel; and

WHEREAS, MACC requested certain information of Columbia to assess Columbia's legal, technical and financial qualifications and Columbia's response is attached to the original of this resolution as Exhibit 1, and includes Columbia's certification that all the information provided by Columbia is current and valid; and

WHEREAS, MACC reviewed the information presented by Columbia, and heard the testimony of Calvin D. Brussard and Scott N. Ledbetter,

officials of Columbia, regarding Columbia's legal, technical and financial qualifications, and received and reviewed the report of Michael Katz of KFA Services, MACC's financial consultant, in support of Columbia's financial qualifications; and

WHEREAS, MACC held a public hearing on the 24th day of February, 1988, and at that meeting approved a report to the member jurisdictions outlining the key issues of the proposed transfer; and

WHEREAS, pursuant to negotiations, MACC and Columbia have agreed that MACC will present to its member jurisdictions proposed Franchise Agreement amendments, attached as Exhibit 3, and a Memorandum of Understanding, attached as Exhibit 3, requesting the member jurisdictions' approval and authorization for MACC to enter the same in conjunction with the transfer of the franchise and the change in control of Willamette; and

WHEREAS, MACC has determined that certain amendments of the member jurisdictions' Intergovernmental Cooperation Agreement are timely and integral to the proposed transfer of the franchise and should be presented to the member jurisdictions for their approval; and

WHEREAS, Columbia requested and MACC agreed that MACC resolve all outstanding issues with Tidel prior to the transfer of the franchise to Willamette and the change in control of Willamette;

NOW, THEREFORE, BE IT RESOLVED by MACC as follows:

A. MACC, based upon the evidence presented and its own research, is of the opinion that Willamette, were it to become a corporation wholly owned by Columbia, would possess the legal, technical and financial qualifications to operate the cable television system under the terms and conditions of the Franchise Agreement.

B. MACC, based upon the testimony of Calvin D. Brussard, Scott N. Ledbetter and Michael Katz, and the information provided by Columbia, is of the opinion that Columbia is fully aware of the terms and conditions of the Franchise Agreement and has agreed that Willamette will operate the system in compliance with those terms and conditions.

C. MACC is of the opinion that Columbia is fully aware of the terms and conditions of the proposed amendments to the Franchise Agreement and the Memorandum of Understanding that Willamette is required to enter in conjunction with the transfer of the franchise, and that Columbia is willing and able to meet the terms and conditions of those amendments and the Memorandum of Understanding.

D. MACC recommends to the member jurisdictions that they concur with its findings and consent to the transfer of the franchise held by Tidel to Willamette and to the change in control of Willamette from Tidel to Columbia, such recommendation contingent upon Columbia's acceptance and satisfactory performance of the conditions set out in paragraph F, below. MACC's recommendation is also contingent upon satisfactory resolution of outstanding issues with Tidel, including the condition and maintenance of access and local origination equipment, payment of franchise fees and provision of local access pursuant to the Franchise Agreement.

E. MACC recommends to the member jurisdictions that they accept and authorize MACC to enter the amendments to the Franchise Agreement and the Memorandum of Understanding attached to this Resolution as Exhibit 2 and Exhibit 3, respectively, such acceptance and authorization contingent upon Columbia's acceptance and satisfactory performance of the conditions set out in paragraph F, below.

F. As conditions precedent to the transfer of the franchise and change in control of Willamette, Columbia will file with MACC the following documents, in form and substance satisfactory to MACC:

1. Formal acceptance of the Franchise Agreement, indicating Columbia's agreement that Willamette will be bound by all the terms and conditions thereof.

2. Formal acceptance of the proposed amendments to the Franchise Agreement, Exhibit 2, indicating Columbia's agreement that Willamette will be bound by all the terms and conditions thereof as with all other terms and conditions of the Franchise Agreement.

3. Formal acceptance of the Memorandum of Understanding between MACC and Willamette, Exhibit 3, indicating Columbia's agreement that Willamette will be bound by all the terms and conditions thereof.

4. A certificate of insurance pursuant to Section 9.5 of the Franchise Agreement.

5. Evidence that a security fund of \$100,000 has been deposited in a bank account maintained by MACC, pursuant to Section 9.2 of the Franchise Agreement, as amended by the amendments to the Franchise Agreement, Exhibit 2.

6. Proof of the posting of a \$250,000 faithful performance bond, pursuant to Section 9.3 of the Franchise Agreement, as amended by the amendments to the Franchise Agreement, Exhibit 2.

7. Evidence that Columbia's financing for the purchase of the cable system and franchise is essentially the same as that presented to MACC, its staff, consultants and legal counsel, and evidence that such financing is secure and complete.


8. Payment by Columbia to MACC of \$22,500 as Columbia's contribution to the costs of the franchise transfer.

G. Columbia shall file the documents specified in F(1) through F(8), above, in final form, prior to the transfer of the franchise from Tidel to Willamette and prior to the change in control of Willamette. Columbia's failure to file all specified documents by this deadline shall render the consent of the jurisdictions null, void and of no effect.

H. The member jurisdictions' consent to the transfer of the franchise and to the change in control of Willamette shall become effective upon MACC's formal determination (1) that all member jurisdictions have so consented and have authorized MACC to execute the amendments to the Franchise Agreement and the Memorandum of Understanding, and (2) that Columbia has submitted all required documents in form and substance satisfactory to MACC.

I. MACC recommends to the member jurisdictions that they approve and authorize the amendments to the Intergovernmental Cooperation Agreement, attached as Exhibit 4.

Adopted by the Board of Commissioners of the Metropolitan Area Communications Commission this 24th day of February, 1988.

  
\_\_\_\_\_  
RICHARD DEVLIN  
MACC Chair

AGREEMENT TO AMEND THE CABLE COMMUNICATIONS  
SYSTEM FRANCHISE AGREEMENT

This Franchise Amendment Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

WHEREAS, the Oregon cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, North Plains, Rivergrove, Sherwood, Tigard, Tualatin and Wilsonville, together with Washington County, Oregon (member jurisdictions), entered into a Cable Communications System Franchise Agreement (Franchise Agreement) with Storer Metro Communications, Inc. (Storer), granting Storer a nonexclusive, revocable, 15-year franchise to construct, operate and maintain a cable communications system within the collective jurisdictional boundaries of the member jurisdictions; and

WHEREAS, the Franchise Agreement was amended by Storer and the member jurisdictions; and

WHEREAS, on November 19, 1986, the Metropolitan Area Communications Commission (MACC), with the consent of each of its member jurisdictions, approved the transfer of the cable television franchise and the Franchise Agreement from Storer to Tidel Communications, Inc. (Tidel), and authorized Tidel's assignment of the franchise operation to Willamette Cable TV, Inc. (Willamette), a corporation wholly owned by Tidel; and

WHEREAS, the member jurisdictions have consented to the transfer of the cable television franchise and the Franchise Agreement to Willamette and have consented to a change in control of Willamette, Willamette becoming a corporation wholly owned by Columbia Cable of Oregon (Columbia); and

WHEREAS, the member jurisdictions' consent to and MACC's approval of the transfer of the franchise and to the change in control of Willamette were conditioned upon, among other things, Columbia's agreement that, once Columbia was in control of Willamette, Willamette would approve and execute certain amendments to the Franchise Agreement; and

WHEREAS, the member jurisdictions and Willamette have agreed upon the amendments to be made to the Franchise Agreement;

NOW, THEREFORE, MACC (the Commission), with the consent of its member jurisdictions (Grantors) agree with Willamette (Grantee) that the Cable Communications System Franchise Agreement shall be amended as follows (deleted language in brackets; new language underlined):

SECTION I. ACCESS AND LOCAL ORIGINATION SUPPORT AND REORGANIZATION.

Section 8.3(b) of the Franchise Agreement is deleted in its entirety and a new Section 8.3(b) is added as follows:

8.3(b) Commission Operation and Grantee Support of Access and Local Origination Programming. The Grantee has requested that the Commission provide certain services to the Grantee, i.e., the operation of all access and local origination programming. The Commission has agreed to operate such programming, either directly or by contract, commencing July 1, 1988, in reliance upon the Grantee's promise of support, as follows:

(1) Grantee will provide funding for access and local origination programming for the life of this Franchise Agreement. The amount and timing of such payments shall be as follows:

(i) From July 1, 1988, to June 30, 1992, \$340,000 per year, payment to be made in equal installments on the first of each calendar quarter beginning July 1, 1988.

(ii) In July of 1991, an evaluation committee shall be formed to determine whether the Grantee's contribution for access and local origination programming should increase or decrease as of July 1, 1992, provided that, unless the parties agree otherwise, the funding level shall not increase or decrease more than \$50,000 in any one year. The evaluation committee shall also consider the level of the Grantee's support under subsections 8.3(b)(4) and 8.3(b)(7) and shall retain or adjust that level of support in accordance with the evaluation criteria established pursuant to subsection 8.3(b)(1)(iii). The evaluation committee is to be composed of three members chosen by the Commission, three members chosen by the Grantee, and a seventh member chosen by the other six members. In the event that the other six members cannot agree on the selection of a seventh member, the Commission and the Grantee shall each present the names of two nominees to the Presiding Judge of the Washington County Circuit Court. The Presiding Judge shall select the seventh member of the evaluation committee from among the four nominees. The Presiding Judge's selection shall be based on his or her determination as to the nominee most likely to be knowledgeable and objective in performing the evaluation committee duties.

(iii) The evaluation criteria to be used by the evaluation committee shall be the criteria as established and agreed to by the Commission and the Grantee's parent company, Columbia Cable of Oregon, prior to the adoption of these amendments.



(iv) The decision of the evaluation committee regarding the Grantee's funding support for access and local origination programming from July 1, 1993, for the duration of this Franchise Agreement shall be binding on all parties and there shall be no challenge or appeal -- administrative, judicial, by arbitration, or otherwise.

(2) The Grantee or its parent company, Columbia Cable of Oregon, shall pay to the Commission \$49,000 at the time of the change in control of Willamette Cable TV, Inc., whereby Willamette will become a corporation wholly owned by Columbia Cable of Oregon. The \$49,000 payment will represent the difference between the Grantee's cost of operation of the access and local origination programming for the period April, 1988 through June, 1988 (\$36,000), and the funding level that has been negotiated by the parties for that same period (\$85,000).

(3) The Grantee will loan \$100,000 to the Commission at the time of the change in control of Willamette Cable TV, Inc., whereby Willamette will become a corporation wholly owned by Columbia Cable of Oregon. This loan will be without interest and shall be repaid over a period of five years, as follows:

<u>Payment Year</u>	<u>Amount Due</u>	<u>Payment Due Each Calendar Quarter, Commencing October 1, 1988</u>
Year #1	\$10,000.00	\$ 2,500.00
Year #2	20,000.00	5,000.00
Year #3	20,000.00	5,000.00
Year #4	25,000.00	6,250.00
Year #5	25,000.00	6,250.00

The Commission shall make the above-described loan repayments to the Grantee within five business days following Commission's receipt of the Grantee's quarterly payments as set out in Section 8.3(b)(1).

(4) Facilities.

(i) Tigard studio facilities. Grantee shall provide the Tigard studio facilities to the Commission rent free for four years, possession commencing July 1, 1988. The premises will be turned over to the Commission in clean and good operating condition. The Commission shall pay all utilities, building maintenance, and shall provide liability insurance for the premises and property insurance for equipment and contents. The Commission shall be responsible for the maintenance of the facility, including landscaping and grounds.

In the event that the facilities become unavailable for any reason, the Grantee shall provide to the Commission equivalent facilities at the Grantee's cost.

(ii) Local Origination/Master Center. The Commission shall be entitled to use of the local origination/master center studio and offices for four years, possession commencing June 1, 1988. Grantee shall turn over the premises to the Commission in clean and good operating condition. The Commission will provide liability insurance and property insurance on the equipment and contents in the local origination portion of the building. The Commission shall pay its appropriate share of the utilities, and shall share equally the cost of the maintenance of the heating/air conditioning system and the cost of the maintenance of landscaping and grounds.

(iii) The Commission may remodel either of the facilities as needed, at the Commission's cost. Fixtures will remain with the buildings and shall become the property of the Grantee. The Commission will remain the owner of and shall be entitled to remove equipment that does not become affixed to the property.

(5) Television Production and Studio Equipment. Grantee shall transfer to the Commission all of its title and interest in all television production and access and local origination studio equipment and production equipment (mini-mobile), excepting only that equipment to be designated by the parties prior to the execution of these amendments to the Franchise Agreement. The Commission will take possession and will receive title to such equipment between June 1, 1988 and July 1, 1988. The equipment, with spares, will be provided by the Grantee to the Commission in good repair and with all operation and service manuals. The Commission shall assume maintenance responsibility for all equipment.

(6) Production Vans. The Grantee shall transfer to the Commission all right and title to both of the Willamette production vans. The vans and related equipment will have been recently serviced, in good repair, and will be provided with all maintenance and service manuals. The transfer shall be no later than the 15th day of June, 1988. The Commission shall become responsible for maintenance and operation of the vans upon the transfer of title.

(7) Promotional Services. The Grantee shall provide, at no cost to the Commission, ten 30-second advertising availabilities per month for a period of four years. Some of these availabilities shall be prime time.

The Grantee shall allow the Commission to include one bill stuffer of the Commission's choice per year. The Commission shall be responsible for the cost of printing its bill stuffers.

A new Section 8.3(c) of the Franchise Agreement is added as follows:

8.3(c) Grantee's Assurance to Support and Defend the Commission's Operation of Access and Local Origination Programming.

(1) The Grantee understands that the Commission would not have agreed to the Grantee's request that the Commission assume the responsibility for the operation of access and local origination programming without the Grantee's assurance that the Franchise Agreement provision regarding the Grantee's support therefor, subsection 8.3(b), is enforceable under federal and state law and will not be construed to constitute a franchise fee or tax payment for any purpose.

(2) The Grantee will not assert that the payments set out in subsection 8.3(b) are not enforceable under federal or state law or that they constitute a franchise fee or a tax payment.

(3) The Grantee agrees to defend and hold harmless the Commission and the Grantors against any challenge to the legality of the payments set forth in subsection 8.3(b) or any effort to characterize those payments as a franchise fee or as a tax.

(4) If any provision of subsection 8.3(b) is deemed unenforceable under federal or state law or is deemed to be a franchise fee or tax payment, these Franchise Agreement amendments, to the extent that they transfer responsibility for access and local origination programming to the Commission and establish Grantee's support therefor, will be of no force or effect and the Franchise Agreement provisions that they replace will automatically take effect and will control. In such an event, the Commission shall retransfer to the Grantee the premises and property set forth in subsection 8.3.(b) and the Grantee shall accept responsibility for and shall resume operation of access and local original programming as though these Franchise Agreement amendments had not been executed.

SECTION II. INTERACTIVE RESIDENTIAL SERVICES.

Section 5.4 of the Franchise Agreement is amended as follows:

5.4 Capacity and Capability for Interactive Residential Services. Grantee agrees to and shall provide, in the initial system configuration, the capacity and capability for interactive residential services including, but not limited to, security alarm

(including intrusion and fire alarm) monitoring, home shopping, energy management, home banking, teletext, information access and retrieval, subscriber polling, video games and one-way or interactive education. All customer equipment necessary for such services, such as addressable interactive converters, home terminals and home detectors, shall be provided to subscribers by Grantee in accordance with established and uniform rate schedules. Return modules will be placed, installed, tested and made operational in all residential network amplifiers and trunk extenders [by September 1, 1987] at such time as the threshold established by Section 6.4(a) of the Franchise Agreement is reached.

### SECTION III. FRANCHISE FEE REDISTRIBUTION

A. Section 8.2(h) of the Franchise Agreement is amended to read as follows:

8.2 Commission Regulation. The Commission, acting on behalf of the Grantors, shall have responsibility for regulation in the following areas:

\*\*\*\*\*

(h) Disbursing and utilizing franchise revenues paid to the Grantors through the Commission [in accordance with Commission Resolution 81-4]; ....

B. Section 9.1(a) of the Franchise Agreement is amended to read as follows:

#### 9.1 Compensation

(a) Franchise Fee. As compensation for the franchise to be granted, and in consideration of permission to use the streets and public ways of the Grantors for the construction, operation and maintenance of a Cable Communications System within the franchise area and to defray the costs of franchise regulation, the Grantee shall pay to Grantors through the Commission an amount equal to five percent (5%) of the Grantee's gross annual revenues. [Two percent (2%) or, put another way, forty percent (40%) of the total franchise fee, will be retained by the Commission for its purposes, including support of community programming and development of the system. The remaining three percent (3%) gross annual revenues (sixty percent (60%) of the total franchise fee) will be distributed by the Commission to the individual Grantors as per the terms section 6.C of the Intergovernmental Cooperation Agreement and Resolution 81-4, effective February 11, 1981, a copy of which is attached hereto as Exhibit C. The Grantee agrees to and shall cooperate with the

Commission and Grantors in filing a waiver request, if required, with the FCC, which would give FCC approval of such payment of five percent (5%) of gross annual revenues by the Grantee.] In the event any law or valid rule or regulation limits franchise fees below the five percent (5%) of gross annual revenues required herein, the Grantee agrees to and shall pay the maximum permissible amount and, if such law or valid rule or regulation is later repealed or amended to allow a higher permissible amount, then Grantee shall pay the higher amount up to a maximum of five percent (5%) of Grantee's gross annual revenues.

#### SECTION IV. RELIEF OF GRANTEE'S OBLIGATIONS.

A new Section 9.1(e) is added as follows:

9.1(e) The Grantee agrees that it will not request or demand modification or reduction of any of its obligations, financial or otherwise, under this Franchise Agreement, when such request would be based upon the inability of the Grantee or its principals or agents to otherwise meet debt service obligations or other financial commitments, including any inability to make a return to equity holders on their investment.

#### SECTION V. SECURITY FUND AND PERFORMANCE BOND

Section 9.2 is amended to read as follows:

##### 9.2 Security Fund.

(a) Within thirty (30) days after the effective date of this franchise transfer, the Grantee shall deposit into a bank account, established by the Commission and maintained through the term of this franchise, the sum of One Hundred Thousand Dollars (\$100,000), as security for the faithful performance by it of all the provisions of and its obligations arising under this franchise, and compliance with all orders, permits and directions of any agency of a Grantor having jurisdiction over its acts and defaults under this contract, and for the payment of any claims, liens and taxes due the Commission or a Grantor, or penalties imposed by the Commission, which arise by reason of the construction, operation or maintenance of the system or pursuant to the terms of this agreement. The Grantee shall be entitled to withdraw for its own uses the interest earned on this deposit.

(b)(1) Within [thirty (30)] ten (10) days after notice to it that any amount has been withdrawn by the Commission from the security fund pursuant to [subdivision] subsection (a) of this section, the Grantee shall deposit a sum of money sufficient to restore such security fund to the original amount in the account at the time of withdrawal.

(2) Within ten (10) days after notice to it that any amount has been withdrawn by the Commission or any third party from any security fund, including principal and interest, posted pursuant to subsection (a) of this section by any prior grantee, the Grantee shall deposit a sum of money sufficient to restore such security fund to the amount in the account at the time of withdrawal. Provided that, if there is a withdrawal from a security fund posted by a prior grantee, and such withdrawal is the result of a third party's claim and such claim is unrelated to the Grantee and its performance under this Franchise Agreement, the Grantee's obligation to replenish the fund shall be limited to \$160,000.

(c) If the Grantee fails, after ten (10) days notice to pay a Grantor any fees, taxes or other amounts due and unpaid; or, fails to pay to a Grantor or the Commission, within such ten (10) days, any damages, costs or expenses which a Grantor or the Commission shall be compelled to pay by reason of any act or default of the Grantee in connection with this franchise; or fails, after thirty (30) days notice of such failure by a Grantor to comply with any provision of the franchise or meet any other obligation specified in subsection (a) of this section which the Commission reasonably determines can be remedied by an expenditure of the security, Commission may immediately withdraw the amount thereof, with interest and any penalties, from the security fund for payment to a Grantor[.], to the Commission or to any third party as deemed appropriate by the Commission. Upon such withdrawal, the Commission shall notify the Grantee of the amount and date thereof.

(d) ~~The~~All security funds deposited pursuant to this section shall become the property of the Commission in the event that the franchise is cancelled by reason of the default of the Grantee or revoked for cause. Default shall occur upon the Grantee's failure to perform pursuant to the Franchise Agreement, and shall include, but not be limited to, a breach or anticipatory breach of the Agreement by the Grantee, insolvency of the Grantee, bankruptcy (voluntary or involuntary) of the Grantee, any assignment for the benefit of the creditors of the Grantee, or the appointment of a receiver for the Grantee. The Grantee, however, shall be entitled to the return of such security fund, as posted by the Grantee, or portion thereof, as remains on deposit at the expiration of the term of the franchise, or upon termination of the franchise at an earlier date, provided that there is then no outstanding default on the part of the Grantee.

(e) The rights reserved to Grantors and the Commission with respect to the security fund are in addition to all other rights of the Grantors and the Commission whether reserved by this contract or authorized by law, and no action, proceeding or exercise of a right with respect to such security fund shall affect any other right Grantors or the Commission may have.

(f) The Grantee agrees that it will not use and that it waives any rights it may have to attempt provisional remedies, including, but not limited to, restraining orders and preliminary injunctions, to challenge or stay the Commission's removal of funds from any security deposit pursuant to this Section 9.2. In the event that the Grantee challenges the Commission's removal of security funds by other than provisional remedies, or resists the Commission's efforts to require the Grantee to replenish the fund pursuant to subsection 9.2(b)(1) or 9.2(b)(2), the Grantee shall have the burden of proving by clear and convincing evidence that the Commission, in removing the funds or in demanding their replenishment, has acted in an arbitrary and capricious manner and in bad faith.

Section 9.3 is amended to read as follows:

9.3 Faithful Performance Bond. Upon the [effective date] transfer of the franchise, the Grantee shall furnish proof of the posting of a faithful performance bond running to the Commission, acting on behalf of Grantors, in the penal sum of [Five Hundred Thousand Dollars (\$500,000)] Two Hundred Fifty Thousand Dollars (\$250,000), conditioned that the Grantee shall well and truly observe, fulfill, and perform each term and condition of the franchise. Such bond shall be maintained by the Grantee throughout the term of this franchise[,]. [provided that upon completion of all construction provided for in Section 4.2 of this agreement, the amount of the original bond may be reduced subject to approval by the Commission, to One Hundred Thousand Dollars (\$100,000).] Written evidence of payment of required premiums shall be filed and maintained with the Commission.

#### SECTION VI. RIGHT TO PURCHASE THE SYSTEM.

Section 10.1(a) of the Franchise Agreement is amended to read as follows:

##### 10.1 Right to Purchase the System.

(a) In the event Grantors or any of them have declared a forfeiture or otherwise revoked this franchise agreement as provided in Sections 12.1 or 12.2 herein, or in the event of expiration of the initial term of this franchise agreement without the franchise being renewed or extended as provided in Section 12.3, the Grantee shall continue its operations under the terms and conditions of this franchise agreement and as required by Section 12.4 herein, following the date of forfeiture or recocation or expiration of the initial term, if such continuation of operations is ordered by the Commission or Grantors pending the purchase of the whole or part of the system by Grantors or any of them. The Commission or Grantor(s) may subsequently order in

writing termination by Grantee of its operations at a specific time. Within 30 days of the order by Commission or Grantors to continue operations, Grantee shall tender to the Commission an inventory of its system used in its operations under this franchise agreement showing the original book costs thereof, the amount of depreciation accruals previously attributed thereto in ratemaking proceedings, and the undepreciated net book value thereof. After receiving the inventory, Grantors or any of them may notify the Grantee that they desire to acquire by purchase all or a portion of the system used by the Grantee in its operation for its fair value. Such notice shall be by resolution or other appropriate writing of the Grantors desiring to purchase and shall state a date upon which Grantee shall create its operations and receive payment as described below.

The valuation for purpose of this subsection 10.1(a) shall be determined by mutual agreement between Grantor(s) and the Grantee. If such mutual agreement is not reached, then Grantor(s) may demand that such valuation be determined by an arbitration committee, as provided in Section 10.1(c), below.

For [all] purposes of revocation or forfeiture under this subsection (10.1.(a)), fair valuation of all or part of the system shall be based upon the fair value of the plant and equipment, including real property, reduced by the amount of any lien, encumbrance, or obligation of the Grantee which Grantor(s) may assume, but shall not be determined by partners investment or expectation of profits or going concern value and shall not include any sum for the value of the unexpired portion of this franchise agreement or for records. For any other purpose under this section, fair market valuation of all or part of this system shall be determined as described in subsection 10.1(b).

During any period of continued operation under this section, the Grantee shall not sell, assign, transfer, or lease to any other persons, firm or corporation, any portion of the system used by it in its operations including parts of the system rented, leased or lease-purchased from others by the Grantee, without the prior written consent of the Grantor(s).

The Grantee shall provide, in all existing and future rental, lease, and lease-purchase arrangements of all or parts of the system from any subsidiary, parent or other affiliate of the Grantee, for the Grantor(s) acquisition of all or parts of the system on the same terms and conditions as are provided in this section. The Grantee shall provide in all other rental, lease and lease-purchase arrangements of all or parts of the system for the Grantor(s) succession to, taking over of, and continuation of such rental, lease and lease-purchase arrangements on the same terms and conditions as are applicable to the Grantee under the rental, lease and lease-purchase arrangements.



SECTION VII. SEVERABILITY

Section 14.2 of the Franchise Agreement is amended to read as follows:

14.2 Severability. Subject to the provisions of Section 14.6 below, if any section, subsection, sentence, clause, phrase or word of the franchise agreement is held to be invalid or unconstitutional by any court of competent jurisdiction or pre-empted by federal or state regulations or law, such section, subsection, sentence, clause, phrase or word shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining provisions hereof.

In the event that suit or action is brought by a party not a party to this Franchise Agreement, challenging the validity or constitutionality of any word, phrase, clause, sentence, subsection, section or other provision of this Franchise Agreement, as amended, the Grantee agrees to assume the cost and obligation of defending said suit or action on behalf of itself, the Commission, and the Member Jurisdictions, to the extent any are named or implicated as respondents or defendants in such suit or action. The Grantee will indemnify and hold harmless the Commission and the Member Jurisdictions against any adverse decree or judgment rendered in such suit or action.

SECTION VIII. ARBITRATION.

A new Section 14.13 is added to the Franchise Agreement to read as follows:

14.13 Any controversy or claim arising out of or relating to this Franchise Agreement, or to the breach thereof, shall be settled by arbitration in accordance with the Rule of the American Arbitration Association, and judgment upon the award may be entered in any court having jurisdiction thereof. All arbitration hearings shall take place in Washington County, Oregon. The arbitration decision shall be final and binding on the parties.

IN WITNESS WHEREOF, the parties have executed this Franchise Amendment Agreement the day and year first above written.

METROPOLITAN AREA COMMUNICATIONS  
COMMISSION

WILLAMETTE CABLE TV, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

(Print Name)

(Print Name)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into by the Metropolitan Area Communications Commission (MACC) on behalf of its member jurisdictions, and Willamette Cable TV, Inc. (Willamette) on this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

W I T N E S S E T H:

WHEREAS, MACC recommended to its member jurisdictions that they consent to the transfer of the cable television franchise held by Tidel Communications, Inc. (Tidel) to Willamette and to a change in control of Willamette, Willamette becoming a corporation wholly owned by Columbia Cable of Oregon (Columbia); and

WHEREAS, MACC's recommendation of and the membership jurisdictions' consent to that transfer and change in control were conditioned upon Columbia's agreement that Willamette would enter a Memorandum of Understanding requiring Willamette to accept certain obligations and meet certain requirements; and

WHEREAS, Willamette agrees that the following specification of requirements and obligations is not an express or implied waiver of any term or condition of the Cable Communications System Franchise Agreement, as amended, (Franchise Agreement);

NOW, THEREFORE, in consideration of the mutual promises contained in this Memorandum of Understanding and the accompanying cable television franchise transfer and change in control of Willamette, MACC and Willamette agree as follows:

1. New Subdivision Construction Deadlines (Open Trench). Despite and notwithstanding any prior waivers or extensions granted to Tidel or Willamette, Willamette agrees to abide by Franchise Agreement Section 4.5(2)(A) requiring the cable operator to build, activate, proof and sell cable in new subdivisions within 60 days of the date when 50 percent of the subdivision's potential dwelling units have been issued building permits, or 25 percent of the subdivision's potential dwelling units have contracted for cable television service.

The MACC staff will develop criteria defining extraordinary situations in which Willamette may request an extension of the 60-day timeline.

2. Interactive Services.

(a) Willamette agrees to provide to MACC a warehouse inventory of return amplifiers by April 1, 1988.

(b) Willamette agrees to warehouse return modules for any new cable plant that is built and for any replacement amplifiers that are installed.

(c) Willamette agrees to provide to MACC by July 31 of each year, including 1988, the following:

(i) A report on the current warehouse inventory of return amplifiers.

(ii) A report, as required by Franchise Agreement Section 6.4(b), on Willamette's efforts to develop interactive services and their financial viability.

3. Interconnect. Willamette agrees to make two additional interconnect channels available within 120 days after receipt of a formal written request from MACC, bringing the total number of available interconnect channels to four. Once available, these channels may be used by MACC for any purpose.

4. Access Channel Realignment/Co-Channel Interference. Currently all the access channels in the VHF band experience co-channel interference. MACC is interested in having one or more of these channels moved to different locations in the VHF band or in having the co-channeling problem corrected. In addition, MACC desires to place the Interconnect channel on Channel 11 as with all other systems in the area (CAN).

Willamette agrees to study this problem in an attempt to correct co-channeling interference. Willamette also agrees to study alignment to determine if Willamette can realign channels in the lower tier. Willamette will attempt to move Channel 21 (CAN) to Channel 11. Willamette will present its plan for resolution of these matters to MACC no later than June 30, 1988.

5. Emergency Alert Capability. MACC's staff agrees to specify the location of the telephone(s) and to develop a plan for the use of emergency alert capability with the assistance of local emergency management agencies. Willamette agrees to provide a plan outlining telephone use and operation, including a date by which the system will be operational. MACC staff and Willamette agree to have their draft plans to MACC no later than June 1, 1988.

6. Reporting of Revenue. Willamette agrees to work with MACC staff to develop revenue reporting methods adequate (a) for MACC to properly disburse franchise payments to member jurisdictions and (b) for audits of PCN and other revenues. Willamette agrees to adopt the improved reporting procedures as of the date of the execution of this Memorandum of Understanding.

7. WOR Programming Services. Willamette agrees to provide a written report to MACC on the copyright costs of adding WOR and other new "distance signal" channels. The report will be presented to MACC no later than June 1, 1988.

8. Housing Definitions and Standards. Willamette agrees to work with the MACC staff to produce a draft of proposed changes for presentation to the MACC Franchise Agreement Administration Committee no later than June 1, 1988. Issues to be addressed include:

(a) Mobile Home Parks. Categorization of mobile home parks;

(b) Zero Lot Line Housing. The development of definitions and standards relating to zero lot line housing (townhomes);

(c) MDU/Bulk Rates. Clarification regarding cost share methods and service options;

(d) Density Issues - Construction. Clarification of the language defining density standards.

9. Public Communication Network Obligations. Notwithstanding Section 6.9(3) of the Franchise Agreement, Willamette agrees to continue operation of the Public Communications Network until MACC review in 1990, and will consider continued operation after 1990 in the event such operation appears to be profitable.

Pursuant to Section 12.5 of the Franchise Agreement, MACC agrees to hold a hearing no later than September 30, 1988, regarding a one (1) year franchise extension for Willamette in consideration for Willamette's support of the Public Communications Network.

10. PCN Drops to Public Institutions. Willamette agrees to complete all PCN drops in Lake Oswego identified but not completed prior to the change in control of Willamette.

11. Company Philosophy. Willamette agrees to remain aware of and concerned with its public image and the overall attitude that it conveys to the community.

12. General Maintenance and Physical Appearance. Willamette agrees to perform general maintenance and physical upkeep of its plant and equipment as necessary to ensure satisfactory appearance, e.g., repair of damaged pedestals, unburied cable, etc., as discovered by Willamette or upon notification by MACC or the public.

13. PCN Video Rates and PCN Data Rates. Willamette agrees to abide by any new PCN video rates or new PCN data rates agreed to by Willamette or Tidel prior to the change in control of Willamette.

14. Universal Service Marketing. Willamette agrees to take all reasonable measures necessary to fully market the Universal Service.

15. Business Communications Network. Willamette agrees to explore new possibilities for the marketing and use of the Business Communications Network.

16. Mix of Programming Services. Willamette agrees to make its best effort to maintain the current mix of services as set out in the Franchise Agreement.

17. Customer Service Standards. Willamette agrees to meet all customer service standards, including service complaint response thresholds, as set out in the Franchise Agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding the day and year first above written.

METROPOLITAN AREA COMMUNICATIONS  
COMMISSION

WILLAMETTE CABLE TV, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

AMENDMENTS TO THE "INTERGOVERNMENTAL COOPERATION AGREEMENT - METROPOLITAN AREA COMMUNICATIONS" AUTHORIZING MACC TO OPERATE ACCESS AND LOCAL ORIGINATION PROGRAMMING AND AUTHORIZING REIMBURSEMENT TO MACC OF CERTAIN EXPENSES.

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WHEREAS, pursuant to an "Intergovernmental Cooperation Agreement - Metropolitan Area Communications Commission" (Agreement), the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, North Plains, Rivergrove, Sherwood, Tigard, Tualatin and Wilsonville, all municipal corporations of the State of Oregon, and Washington County, a county formed under the laws of the State of Oregon, created a joint commission, known as the Metropolitan Area Communications Commission (MACC) to carry out the specific purposes set forth in the Agreement; and

WHEREAS, Section 9.E. of the Agreement requires that its terms shall not be amended without the written authorization of the governing bodies of all the member jurisdictions; and

WHEREAS, the governing bodies of the member jurisdictions have unanimously authorized amendment of the Agreement (1) to include within MACC's responsibilities the operation of access and local origination programming and to (2) authorize reimbursement to MACC of certain expenses,

NOW, THEREFORE, the Intergovernmental Cooperation Agreement - Metropolitan Area Communications Commission is amended as follows:

SECTION 1. Operation of Access and Local Origination Programming.

Section 3 of the Agreement is amended to add a second paragraph reading as follows:

In addition to the powers set forth above, and in accordance with terms and conditions of the Cable Communications Franchise Agreement, as amended, the Commission shall be responsible for the operation of access and local origination programming. The Commission may contract with service providers as it deems necessary to meet this responsibility.

SECTION 2. A new Section 6.D. is added to the Agreement as follows:

D. The Commission is authorized to enter contracts as it deems appropriate for the review of the Grantee's revenue reports, on an annual basis or otherwise. In the event that such a review results in increased franchise fee payments, the first deduction

from such payments shall be for the reimbursement of the Commission for the expenses incurred in contracting for the review. The remainder of any such increase in the franchise fee payment shall be distributed pursuant to the formula adopted by Section 6.C. of the Intergovernmental Agreement.

ADOPTED by the Board of Commissions of the Metropolitan Area Communications Commission this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

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RICHARD DEVLIN  
MACC Chair

REPORT

TRANSFER OF THE CABLE TELEVISION FRANCHISE

and

CHANGE OF CONTROL

of

WILLAMETTE CABLE TV, INC.

(TIDEL COMMUNICATIONS, INC.)

to

COLUMBIA CABLE OF OREGON, INCORPORATED

By

METROPOLITAN AREA COMMUNICATIONS COMMISSION

MARCH 1988



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E X E C U T I V E   S U M M A R Y

OF THE  
REPORT ON THE TRANSFER OF THE CABLE TELEVISION FRANCHISE  
AND  
CHANGE OF CONTROL OF WILLAMETTE CABLE TV, INC.  
TO  
COLUMBIA CABLE OF OREGON

BACKGROUND

Transfer Request Investigated

Tidel Communications, Inc. formally requested the Transfer of the Cable Television Franchise Agreement and Change of Control of Willamette Cable TV, Inc. to Columbia Cable of Oregon, in November 1987. The Commission and its member jurisdictions must approve any transfer and change of control requests.

Following Tidel's request, the Commission began an extensive investigation into Columbia's legal, technical and financial qualifications to own and operate the system. That investigation involved an extensive questionnaire process, a professional financial analysis and numerous background checks. That process was concluded at the February 17, 1988 Commission meeting with a review of the Financial Analyst's report and the questioning of the prospective purchaser by the Commission, its staff and consultants.

On February 24, 1988, a public hearing was held on the issue and a resolution was passed indicating that Columbia met the legal, technical and financial requirements to operate the system. The resolution also recommended the jurisdictions consent to the Transfer and Change of Control. Following that meeting, the Commission began these series of meetings with jurisdictions seeking their approval to the Transfer of Ownership and Change of Control.

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Franchise Negotiations

At the time of Tidel's request for Transfer of Ownership in November, the Commission had begun negotiations with Tidel on the reorganization of community access television under the operation of the MACC Administrative Office. That reorganization was recommended by the Commission's Access Task Force who had studied for over one year the problems with the "cable operator run" program. These negotiations were expanded during the sale process to cover discussions related to a number of unresolved franchise issues with both Tidel and Columbia. When concluded, those negotiations were incorporated into either a Franchise Amendment format or a Memorandum of Understanding. The highlights of those negotiations appear in this summary with detailed explanation in the attached reports.

HIGHLIGHTS OF FRANCHISE NEGOTIATIONS

The following represents some of the major highlights of the Tidel/Columbia negotiations:

- Operation of Community Access Television and Local Origination Programming by the Commission

The operation of the Community Access Television and Local Origination Programming currently run by the Cable Operator, would fall under the responsibility of the Commission's Administrative office. However, Columbia would be required to provide the majority of the financial and other support for the reorganized program along with supplemental funding from MACC and member jurisdictions. The attached "Report on the Proposed Reorganization of Community Access Television and Local Origination Programming" details the amended changes to this program.

- Changes in the "Right to Purchase" Section of the Franchise

Columbia Cable requested that changes be made in Section 10.1 of the Franchise Agreement titled "Right to Purchase the System." This section allows MACC or member jurisdictions to purchase the cable system under certain specific circumstances. Columbia requested that the language be changed so that such a purchase at the end of the franchise term would have to be made for the "fair market value" of the system. Columbia's concern was that without this change they would have a difficult time obtaining the necessary financing for the \$90 million sale price.

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The Commission and Columbia agreed on compromise language submitted by Tim Ramis, MACC Legal Counsel. That language only allows such a "fair market value" purchase at the end of the fifteen year franchise term (1997). The enforcement of the existing provision was also considered to be questionable in light of the changes in cable law from the Cable Communications Policy Act of 1984. This new language does not affect the franchise language should the Franchise be revoked or forfeited.

HIGHLIGHTS OF THE "MEMORANDUM OF UNDERSTANDING"

The results of the negotiations with Columbia Cable on numerous other franchise issues were also approved by the Commission and are incorporated into the transfer documents in the form of a "Memorandum of Understanding." The three primary issues negotiated included:

- The resolution of numerous cable construction issues and definitions.
- Continued support and operation of the Public Communications Network (PCN) through mid-1990.
- The reorganization of community access and local origination.

Many of the issues in the "Memorandum" actually represent clarifications of existing Franchise provisions that the Commission wanted Columbia to recognize and pledge to support.

CHANGES TO THE MACC INTERGOVERNMENTAL AGREEMENT

The Intergovernmental Agreement was originally drawn in 1983. This Agreement establishes the relationship that MACC has with its member jurisdictions. The Agreement was completely rewritten at this time incorporating all past Commission amendments. Major current changes recommended include:

1. Provide MACC the authority to operate Access/Local Origination;

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2. Alter the formula for distribution of franchise fees to MACC and the jurisdictions.

The current distribution of the 5% franchise fee amount is as follows:

60% - Member Jurisdictions  
40% - MACC Administrative Office

The new formula for the distribution of the 5% franchise fee would be:

52-1/2% - Member Jurisdictions  
30% - MACC Administrative Office  
17-1/2% - Support the Reorganized Community  
Access and Local Origination Program

The rationale for and detailed effects of this change are contained in the attached "Report on the Proposed Reorganization of Community Access Television and Local Origination Programming."

3. A change to cover the costs and enable the distribution of any funds that result from revenue examinations of the cable company.

CONCLUSION:

The Commission thoroughly investigated Columbia Cable's request to purchase Willamette Cable TV (Tidel Communications, Inc.) and reached the following conclusions:

That Columbia Cable of Oregon possesses the legal, technical and financial qualifications to operate Willamette Cable TV under the terms and conditions of the Franchise Agreement; and

That Columbia Cable of Oregon is fully aware of the terms and conditions of the Franchise Agreement, as amended, and the "Memorandum of Understanding" and that they agree to operate Willamette in compliance with those terms and conditions.

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I. RECOMMENDATION

After careful consideration and investigation, the Board of the Metropolitan Area Communications Commission recommends the following actions to its member jurisdictions:

- Consent to the transfer of the Cable Television Franchise held by Tidel Communications, Inc. to Willamette Cable TV, Inc.;
- Consent to the change of control of Willamette Cable TV, Inc. to Columbia Cable of Oregon, Inc.;
- Authorize Amendment of the Cable Television Franchise Agreement;
- Authorize the Metropolitan Area Communications Commission to enter into a Memorandum of Understanding with Willamette Cable TV, Inc; and,
- Authorize the Amendment of the Intergovernmental Cooperation Agreement.

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II. AUTHORITY

The Cable Television Franchise Agreement of the Metropolitan Area Communications Commission (originally granted in 1982 to Storer-Metro) provides the authority to investigate the legal, technical and financial qualifications of any purchaser prior to the transfer of the Cable Television Franchise or any change of ownership. This investigation is made by the Metropolitan Area Communications Commission for its member jurisdictions who must approve any Franchise transfer or change of ownership by written consent. Specific references to the authority to approve such actions is contained in the following Franchise sections:

Section 3.5 - Franchise Non-Transferable

This franchise shall not be sold, leased, mortgaged, assigned or otherwise transferred, nor shall any of the rights or privileges herein granted or authorized be leased, assigned, mortgaged, sold or transferred, either in whole or in part, nor shall title hereto, either legal or equitable, or any right, interest or property herein, pass to or vest in any person, except the Grantee, either by act of the Grantee or by operation of law, without the consent of the Grantors, expressed in writing. The granting of such consent in one instance shall not render unnecessary any subsequent consent in another instance...

Section 3.6 Change in Control

The Grantee shall promptly notify the Grantors through the Commission of any proposed change in, transfer of, or acquisition by any other party of control of the Grantee. Such change in control shall make this Franchise subject to revocation unless and until the Grantors shall have given written consent thereto. For the purpose of determining whether they will consent to such change, transfer, or acquisition of control, Grantors may inquire into the qualifications of the prospective controlling party to perform the obligations of the Grantee under this Franchise Agreement. The Grantee shall assist Grantors in any such inquiry. The Grantors may condition said transfer upon the terms and conditions as it deems appropriate.

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III. BACKGROUND INFORMATION AND INVESTIGATION

On November 13, 1987, William Bauce, President, Tidel Communications, Inc., requested the Commission to consent to the Transfer of the Cable Television Franchise to Willamette Cable TV, Inc. and to a change of control of Willamette, whereby Willamette would become a wholly owned subsidiary of Columbia Cable of Oregon, Inc., a Delaware general partnership. This request was made pursuant to the requirements of the Franchise Agreement.

The MACC Board determined that it was appropriate to investigate the prospective buyer's legal, technical and financial qualifications and to make a recommendation to the member jurisdictions in the form of a resolution. To that end, the Board made the following investigations:

- Used a "Qualification Questionnaire" to request detailed information of Columbia. Michael Katz, Consultant was then hired by the Commission to provide a detailed financial analysis of Columbia's financial qualifications to operate the system. His report, along with the "Qualification Questionnaire" was reviewed by the Board at their work session held on February 17, 1988.
- Heard testimony from representatives of Columbia Associates, L.P. (parent company of Columbia Cable of Oregon), regarding the prospective buyer's legal, technical and financial qualifications and knowledge of and willingness to comply with the terms and conditions of the Franchise Agreement, at their Board meeting on February 17, 1988.
- Held a public hearing and heard testimony at their special Board Meeting on February 24, 1988.
- Passed Resolution #88-02 recommending approval of the transfer/change of control at their special Board Meeting on February 24, 1988.

In addition, a special committee of the Board negotiated a proposed resolution to numerous franchise issues with representatives of both Tidel Communications and Columbia Cable of Oregon. The proposed resolution of these issues was approved by the Board at their special meeting of February 24, 1988. Those recommendations, as they effect Columbia, were included in a "Memorandum of Understanding" and Franchise Amendments that were incorporated as exhibits into Transfer Resolution #88-02, (see attached).



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A. Legal Issues

The Board found that Columbia met the legal qualifications to assume ownership of Willamette Cable TV, Inc. as contained in the Federal Cable Communications Policy Act of 1984 and the Franchise Agreement.

Columbia stated it agreed to assume all the rights, duties and responsibilities of Willamette Cable TV, Inc. pursuant to the Franchise Agreement, including the provisions contained in the original Storer-Metro Proposal as incorporated in the Agreement by reference. It further stated it agreed to perform all legal obligations and responsibilities of the Agreement. The only exceptions Columbia made regarding those obligations were those negotiated with the Board and incorporated into the attached Transfer Resolution in the form of a "Memorandum of Understanding" and Franchise Amendments.

B. Technical Issues

Columbia Cable of Oregon's parent company is Columbia Associates Limited Partnership, which was founded in 1985 to purchase and manage cable television systems. It currently owns cable properties across the United States with approximately 115,000 total subscribers. Columbia Associates' experience in operating cable systems covers a broad range of sophistication. It currently operates systems of comparable size and complexity to the Willamette system. Its direct experience in operating such systems should translate easily to this system.

Investigation into the operation of other Columbia owned systems shows that they are consistently providing service equal to or better than that required of the Franchise and that those governments who granted franchises to Columbia are very satisfied with their efforts. The existence of Columbia Cable of Vancouver/Clark County only a few miles away should also provide added benefits to both Columbia owned cable systems.

C. Financial Issues

Michael Katz, KFA Associates, was hired by MACC to perform a detailed financial analysis of Columbia Cable of Oregon and its parent company. His report was presented to the Commission on February 17, 1988 at a special work session. The objective of his review was to "assist the MACC Commission in determining whether Columbia Cable of Oregon (the proposed buyer of the Tidel/Willamette Cable TV system) has sufficient financial capacity to acquire and operate the system."

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To accomplish this, Mr. Katz held numerous discussions with representatives of MACC, Tidel and Columbia. The information provided in the "Qualification Questionnaire" was analyzed along with numerous financial and other documents provided by Columbia. The sale price for the system of \$90 million dollars (Tidel purchased the system for about \$43 million dollars from Storer in 1986) and the financing to support that amount were of particular concern in the analysis.

The analysis, taken from Mr. Katz's report, showed that the financing package was composed of:

- \$35 million of equity funds from the five Columbia partners;
- \$15 million of subordinated debt from the five Columbia partners; and
- \$50 million of bank credit loans

This amounts to \$100 million with \$10 million held in reserve should it be needed.

After a thorough analysis, Mr. Katz reached the following conclusions:

It appears that Columbia will have sufficient financial resources to complete this purchase transaction:

- Conditional commitments have been made by the principal investors and the banks involved; partnerships and loan agreements, however, are not yet completed and signed; and
- MACC should obtain final, signed copies of the Columbia Cable of Oregon partnership agreement, the subordinated notes and subordination agreement, and the bank loan agreement prior to the purchase closing to verify that the structure and terms of the arrangements are substantially as they have been represented to us.

Once the investors' and banks' capital has been used for the purchase of the system, further financial resources may not be readily available should the system get into serious financial difficulty in the 1990's, i.e., if the Willamette system is not generating enough cash from its own operation to meet all its obligations:

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- The Columbia Cable of Oregon partnership, and thereby the investing partners, are simply stockholders in the Tidel/Willamette corporation and thus have no obligation to invest additional funds in future years. Despite the substantial financial strength of several of the partners, they may not be inclined to invest further if prospects for a good return on investment look bleak; and
- The banks would be most aware of financial difficulty, which would be evidenced by difficulty in making timely debt repayments, and are not generally inclined to lend more money to companies having difficulty repaying their existing debt; it should be noted that the \$10 million reserve credit facility discussed earlier is only available during the first two years of Columbia's tenure and may not be available at a later time.

The financial structure of this investment is, of necessity, less leveraged than many cable television acquisitions, i.e., the ratio of bank debt to equity investment is quite conservative:

- The subordinated loans, while technically still debt, have equity characteristics in that interest and principal repayments are owed to the company's owners rather than unrelated parties; thus they can be deferred, if need be, until the system can afford to make such payments or until the system is refinanced or sold; and,
- The specific language of the draft subordination agreement and subordinated notes does not provide the company with as much flexibility in scheduling payments as may be needed or, indeed, as is assumed in the financial projections; the partners, however, could change the language or simply allow deferral of interest and principal payments when they come due.

Willamette will have some real revenue enhancements and cost savings under Columbia's ownership in comparison to past operations:

- Rates for basic services have increased by more than 50% since December 1986, the full impact of which will appear this year; Columbia does plan to further raise rates for basic, but not pay, services during the 1990's, although at a much more gradual pace;

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- Willamette will pay lower prices for program services through Columbia's linkage with TCI; and,
- Tidel/Willamette's interest expense, excluding deferred amounts associated with the subordinated debt, will be reduced, if interest rates remain at current levels; the amount of the bank debt is less than it has been and the credit terms are substantially better.

Columbia's financial projections for Willamette appear, nevertheless, to be optimistic; primarily with respect to growth in subscribers that can be achieved in the next five years.

The primary financial risk is that of eventual difficulties in repaying the bank debt, which could force a sale of the system, reductions in service levels and/or attempts to retreat from franchise obligations; however, several cushions exist to absorb difficulties:

- The projections assume regular payments of management fees to Columbia International; these would not be allowed under the bank loan terms should the cash be needed to repay the bank debt;
- The projections assume repayment of the subordinated debt will begin in 1995; this would also not be allowed if the cash were needed to complete repayment of the bank debt; and,
- It may be necessary and possible to increase basic or pay service rates more than the projections assume during the mid-1990's, this would be most feasible if financial difficulties arise from higher than expected general cost inflation - less feasible if financial difficulties arise from less than expected success in attracting new subscribers.

At present, it appears reasonable to assume that even if Columbia has some difficulty in meeting or exceeding their financial expectations, the cushions described above should provide sufficient leeway to maintain Willamette's economic self-sufficiency and allow the Company to meet its franchise obligations.

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To provide some measure of extra protection to the communities being served, MACC should require that Columbia Associates guarantee franchise performance; this would diversify the risk somewhat and provide support to Willamette, if necessary, through the financial capacity represented by Columbia Associates other systems.

MACC should also, assuming the system sale is successfully completed, receive and monitor key operating and financial indicators at least annually, in comparison to Columbia's projections, to see how conditions evolve and whether financial difficulties are being encountered; MACC should receive statistical summaries and audited financial statements for both Columbia Associates as a whole and for the Tidel/Willamette system...

Based on the report and conclusions by Mr. Katz and subsequent questioning of Columbia representatives at the February 17, 1988 Commission meeting, the Commission concluded that Columbia's ability to finance the purchase and operation of the system is acceptable.

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IV. OTHER ISSUES

A. Amendments to the Franchise

As a result of the transfer and resulting franchise negotiations with Columbia several amendments to the Franchise are recommended by the Commission for approval by the jurisdictions. They are as follows:

1. Operation of Community Access Television and Local Origination Programming by the Commission

The operation of the Community Access Television and Local Origination Programming currently run by the Cable Operator, would fall under the responsibility of the Commission's Administrative office. However, Columbia would be required to provide the majority of the financial and other support for the reorganized program. The attached "Report on the Proposed Reorganization of Community Access Television and Local Origination Programming" details the amended changes to this program.

2. Deferral on the Installation of Return Modules in Amplifiers for the Residential Interactive System

In 1985, the original Franchise Agreement was amended allowing the deferral of the installation/activation of return modules in amplifiers until September 30, 1987. As a result of the negotiations with Columbia it was determined that this requirement should be deferred until the "threshold requirement" for the operation of the residential interactive system is met. That requirement calls for the marketing and operation of the two-way residential interactive system by the cable operator once it is determined that such systems are operating profitably on 20% of the interactive capable cable television systems in the United States.

3. Changes in the Franchise Agreement "Right to Purchase" Section" as Requested by Columbia Cable

Columbia Cable requested that changes be made in Section 10.1 of the Franchise Agreement titled "Right to Purchase the System." This section allows MACC or

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member jurisdictions to purchase the cable system under certain specific circumstances. Columbia requested that the language be changed so that such a purchase at the end of the franchise term would have to be made for the "fair market" value of the system. Columbia's concern was that without this change they would have a difficult time obtaining the necessary financing for the \$90 million sale price. The enforcement by the Commission of the existing franchise provision was also considered to be questionable in light of recent changes to cable law as a result of the Cable Communications Policy Act of 1984.

The Commission and Columbia agreed that compromise language submitted by Tim Ramis, MACC Legal Counsel, and included in the attached amendment would be acceptable to both parties. That amendment language does not effect the franchise language should the franchise be revoked or forfeited.

4. Relief of Grantee's Obligations - The grantee (Willamette) pledges not to seek franchise relief should they have trouble meeting their debt obligations.
5. Severability - Grantee agrees to defend the Commission and Franchise should any portion of it be challenged by a third party.
6. Increased Performance Bonding and Security Fund Deposits - The current performance bond would be increased from \$100,000 to \$250,000. The Security Fund, which MACC can charge against for violations of the Agreement, would be increased from \$100,000 to \$200,000. The language related to using this fund would also be rewritten to allow easier access by MACC. These two fund increases should provide some added "guarantee of performance" by Columbia.
7. Arbitration - Provides for the use of an arbitration process to resolve disputes with the cable operator as opposed to litigation.

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B. Memorandum of Understanding

The results of the negotiations with Columbia Cable on numerous other franchise issues were also approved by the Commission and are incorporated into the transfer documents in the form of a "Memorandum of Understanding." The three primary issues negotiated included:

- The resolution of numerous cable construction issues and definitions.
- Continued support and operation of the Public Communications Network (PCN) through mid-1990.
- The reorganization of community access and local origination.

Many of the issues in the "Memorandum" actually represent clarifications of existing franchise provisions that the Commission wanted Columbia to recognize and pledge to support.



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C. Changes to the MACC Intergovernmental Agreement

The Commission also recommends the following changes to the Intergovernmental Agreement between MACC and member jurisdictions. The changes are as follows:

1. Authority to Operate Access and Local Origination Programming

The Agreement was amended to include the management of the community access television and local origination programming to enable MACC to operate these programs under the terms of the Agreement.

2. Change in the Formula for Distribution of the 5% Franchise Fee

As part of the support package for the reorganized Community Access TV and Local Origination Programming operations, it is recommended that the current franchise fee distribution formula be changed. The current distribution of the 5% franchise fee amount is as follows:

- 60% - Member Jurisdictions
- 40% - MACC Administrative Office

The new formula for the distribution of the 5% franchise fee would be:

- 52-1/2% - Member Jurisdictions
- 30% - MACC Administrative Office
- 17-1/2% - Support the Reorganized Community Access and Local Origination Programs

The rationale for and detailed effects of this change are contained in the attached "Report on the Proposed Reorganization of Community Access Television and Local Origination Programming."

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3. A Change to Cover the Costs and Enable the Distribution of Any Funds that Result From Revenue Examinations of the Cable Company

MACC recently completed its first examination of the cable company revenues. It resulted in a projected error in gross revenues of about \$138,000. This should amount to \$6,900.00 of additional franchise fee revenues to MACC and the jurisdictions. The cost for this audit was \$1,600.00.

The proposed change to the "Agreement" would allow for the distribution of any remaining franchise fee funds to jurisdictions and MACC based on the new formula (see #2 above) after the costs associated with the audit are paid. MACC plans for these audits on an annual basis.

4. A Change to allow MACC to Use Certain Retained Revenues

The change would allow the use of certain retained MACC revenues as carryover funds for Commission budget support.

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V. CONCLUSION

The Commission thoroughly investigated Columbia's request to purchase Willamette Cable TV (Tidel Communications, Inc.) and reached the following conclusions:

- MACC, based upon the evidence presented and its own research, is of the opinion that Willamette, as the wholly owned subsidiary of Columbia Cable of Oregon, possesses the legal, technical and financial qualifications to operate the cable television system under the terms and conditions of the Franchise Agreement;
- MACC, based upon the testimony of and the information provided by Columbia, is of the opinion that Columbia is fully aware of the terms and conditions of the Franchise Agreement and has agreed that Willamette will operate the system in compliance with those terms and conditions; and,
- MACC is of the opinion that Columbia is fully aware of the terms and conditions of the proposed amendments to the Franchise Agreement and the "Memorandum of Understanding" that Willamette is required to enter in conjunction with the transfer of the Franchise, and that Columbia is willing and able to meet the terms and conditions of those amendments and the Memorandum of Understanding.

REPORT

PROPOSED REORGANIZATION

of

COMMUNITY ACCESS TELEVISION

and

LOCAL ORIGINATION PROGRAMMING

BY

METROPOLITAN AREA COMMUNICATIONS COMMISSION

MARCH 1988

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A. INTRODUCTION

Last year a series of events transpired leading toward the proposed reorganization of Community Access Television and Local Origination Programming as contained in this report. This reorganization began as an examination of the problems inherent in the "Willamette Cable TV operated" program and is a result of hundreds of hours of work and study by private citizens, MACC Commissioners, Cable Company representatives and the staff of the Metropolitan Area Communications Commission.

In the last three months, the pending sale of Tidel Communications (parent company of Willamette Cable TV) to Columbia Cable provided an opportunity to address these deficiencies with the cable operators, and to negotiate a proposed final settlement of these issues along with many other unresolved franchise problems. The Commission feels that the settlement reached with the operators will finally provide area citizens and cable subscribers with the level of community access and local origination programming similar to that envisioned with the grant of the Franchise to Storer-Metro in 1982. Most importantly, it places this service in a management structure that will foster its growth and eventually allow it to transition into a citizen based nonprofit community organization that will direct local cable programming in future years.

This report and its appendices will show the history of Community Access and Local Origination programming within this Franchise and the process undertaken this last year to develop this proposal. Careful study of this information should provide the background needed to understand the proposed reorganization of these programs and the eventual benefit to area citizens and cable subscribers.

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B. DEFINITIONS OF ACCESS AND LOCAL ORIGINATION

We thought it would be helpful to first provide some common definitions of Community Access Television and Local Origination Programming as we will use them in this report.

Community Access Television - This is usually defined under the three broad categories of Public, Educational and Government (P.E.G.) Access programming (hereafter Access.)

The Public Access program allows all citizens or groups to receive television production training and "access" to the local television equipment and channels. It provides the opportunity to produce local, not-for-profit programming, on any topic with only a few exceptions. Public Access is "citizen producers" working to produce programs on subjects of interest to them and the community.

Educational Access is reserved for people or groups in the educational community who use television as a resource for education. Local schools, colleges and other educational organizations use Educational Access as a teaching, outreach and public relations tool.

Government Access is for the use of local, state or federal governments as a public service. Volunteers and skilled professionals work with area governments to produce informative and useful information for the public. Through coverage of government meetings the public also has a unique window on local governmental actions and interests. Interview shows, public service announcements and employee training are also benefits to governments and citizens.

Current Access programming is currently carried on the following Willamette channels:

Ch. 2 (Hubsite P.E.G.)	Ch.29 (Educational Access)
Ch. 6 (Hearing Impaired)	Ch.50 (Access Channel Guide)
Ch.10 (Public Access)	Ch.55 (Institutional Access)
Ch.12 (Government Access)	Ch.59 (Public Access)
Ch.21 (Interconnect - "CAN")	

Local Origination (hereafter called L.O.) is programming produced by professional staff persons. It is programmed from a local point in contrast to the number of outside satellite services on cable. Examples include sporting and community events, and general informational programming. It is different from access in the fact that is produced by a professional staff and not by "citizen producers." Some programs can be produced for profit. The current Willamette "L.O." channel is #27.

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C. HISTORICAL BACKGROUND

In 1982, Storer Communications was granted a fifteen year franchise to operate a cable television system serving fourteen cities and parts of unincorporated Washington County. The Metropolitan Area Communications Commission (MACC) was formed to administer that complex Franchise Agreement for the fifteen member jurisdictions. A part of that agreement was an extensive proposal for Public, Educational and Government (P.E.G.) Access and Local Origination (L.O.) programming along with other broadband telecommunications features (see Appendix A - Storer Access/L.O. Franchise Requirements). This was to be a program that grew with the cable system to reach its peak in the tenth year of operation.

In years 1982-1984 the original P.E.G. Access and L.O. programs were established by Storer with the purchase of television equipment, hiring of staff, construction of studios and training of citizens. However, as early as 1983 the operation of access began to change. The Government Access program run by Storer did not operate at a level acceptable to the jurisdictions and MACC. The MACC Administrative office then took over the Governmental Access program from Storer. Through the use of equipment from Storer and a MACC paid staff, that program has developed today into the strongest component of the P.E.G. Access program. MACC also developed a strong regulatory/monitoring program for access which included staffing of a citizen's Access Committee and extensive research and promotion of P.E.G. Access.

In 1984, Storer asked the Commission for relief on the Access and L.O. requirements along with some other provisions of the Franchise Agreement. Only limited relief on one capital L.O. item was allowed by the Commission at that time and Storer pledged to increase the combined Access/L.O. staffs to 14.0 Full Time Employees (FTE), still significantly lower than the 27.0 FTE's proposed in the Franchise for that year. The Commission felt that Storer could operate at this lower level of service until such time as the demand increased for local programming services.

In 1985, MACC notified Storer that they were operating at a lower level (10.8 FTE) than they committed to in 1984. Soon after that, Storer submitted a relief proposal to MACC on numerous Franchise issues. Although relief on Access/L.O. was



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included in their request, a negotiated solution could not be reached on these issues and no relief was granted in 1985 on P.E.G. Access/L.O. requirements. However, many other Franchise requirements were reduced significantly during these negotiations. The Storer Access/L.O. program was then reorganized by the Company with a goal to create a more aggressive, pro-active Access/L.O. team. Some improvements were made and the feedback received by MACC from the public was generally supportive of Storer's efforts.

In June 1986, Storer requested that its cable system be sold to Tidel Communications. During the subsequent review process by MACC, an Access/L.O. audit was performed that showed that Storer's performance was far below that pledged in 1985. The owners of Tidel agreed to honor the original Storer Access/L.O. Franchise commitments and the sale was finalized in October 1986.

In December 1986, an Access Task Force was formed to discuss the future of Access; recommend a viable management structure for the future of Access; and to study the operation of Willamette's current Access Program and to monitor its quality. The Task Force was comprised of two MACC Commissioners, two MACC Access Committee Members, two representatives from Willamette Cable and MACC staff. The Task Force held a considerable number meetings during their study from December 1986 to September 1987. During that time Willamette increased its efforts to resolve several identified problem areas with Access but never reached the levels achieved previously by Storer or as required in the Franchise.

In September 1987, the Task Force produced their draft report on Access and made the following recommendations for Access reorganization (for a complete list of recommendations see Appendix B):

1. A MACC managed Access Program be established with a provision for it to transition into a nonprofit corporation in three to four years;
2. Two Access centers be established to serve the franchise area which would be more complete and efficient facilities than the three small studios (Beaverton, Tigard and Forest Grove) and one editing facility (Hillsboro) currently operated by Willamette;

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3. The MACC Administrative office be combined with one of the Access centers;
4. Public, Educational and Government (P.E.G.) Access be combined under one management structure;
5. Staff and operating budget be increased to a level that could accommodate training, outreach, production, publicity and coordinated teams of community volunteers;
6. The new Access Program be evaluated annually; and
7. The Cable Operator should provide the major funding for Access, and that MACC and the jurisdictions should supply supplemental funding to enhance the overall Access Program.

The Commission reviewed the draft Task Force Report in October 1987 and authorized that formal negotiations with Willamette should begin immediately to implement the Task Force recommendations.

In November 1987, Tidel announced that they intended to sell their system to Columbia Cable and asked the Commission to approve the transfer. The Commission took that opportunity to negotiate with Tidel/Columbia several unresolved franchise issues, including Access/L.O. support using the Task Force Report as a basis. Following extensive negotiations in December 1987 and January 1988, a proposal to resolve many longstanding franchise issues and the future support for Access/L.O. was reached and placed before the Commission and Task Force members.

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D. THE PROPOSAL

As a result of negotiations with Columbia Cable, and in light of the original Task Force recommendations, the following proposal to resolve the Access/L.O. issue was presented to the Commission and Task Force:

1. MACC would assume management of Access/L.O. as of July 1, 1988. During the third year of operation MACC would study the transition of Access/L.O. to a nonprofit organization.
2. Willamette (Columbia) would provide the following resources for the reorganized MACC-based Access/L.O. program:
  - a. Funding for the life of the Franchise (at least 1997) for Access/L.O. with year 1-4 levels set at \$340,000/year. Funding would begin July 1, 1988;
  - b. Additional start up funding of \$49,000;
  - c. A \$100,000 "interest free" loan to MACC paid back over 5 years;
  - d. Free rent/use of the Willamette L.O. studio facility (adjacent to the current MACC office) and free rent/use of the Tigard Studio facility (see "Access Center" location map - Appendix C). Note: Discussions continue with Pacific University to determine support for the continuation of the Forest Grove Studio, which could result in a total of three access centers;
  - e. Title to the majority of Willamette's Access/L.O. equipment and their two mobile television vans (original value over \$1 million); and
  - f. Promotional assistance for Access/L.O.
3. The aforementioned funding/support levels would be evaluated during year four of the program (1991-92) by a special committee to determine future funding levels by the operator.

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4. Additional funding from MACC and member jurisdictions should be provided to enhance the proposed Access/L.O. program (this follows the Task Force's original recommendation). The proposal also calls for the current funding formula related to the distribution of the 5% franchise fee to be changed.

Current Distribution Formula:

(Percentages given are of the 5% franchise fee collected from Cable Operator)

- 60% - 15 Member Jurisdictions
- 40% - MACC Administrative office

Proposed New Distribution Formula:

(Percentages given are of the 5% franchise fee collected from Cable Operator)

- 52.5% - Jurisdictions (the Task Force recommended a 50% level)
- 30% - MACC Franchise Administration
- 17.5% - Access/L.O. Program (the Task Force called for 20%)

The estimated contribution in Fiscal Year 1988/89 to Access/L.O. would be about \$129,000; \$74,000 from MACC and \$55,000 from the jurisdictions (see details in Appendix D, Projected Franchise Fee Disbursements to Jurisdictions). The contribution from the jurisdictions would begin in January 1988 (payable in April 1988) and from MACC in July 1988 (the late payment start for MACC reflects its continued operation of the Government Access program during the first six months of 1988).

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Rationale for MACC Contributions to Access/L.O.

The proposed contribution from MACC in Fiscal Year 1988/89 is estimated at \$74,000. Since the new Access/L.O. program will assume the Government Access program in July 1988 (which is currently operated and funded by MACC) the proposed MACC contribution to Access/L.O. reflects the amount of savings in MACC's current operating budget that is spent on Government Access programming. MACC would also charge a small ongoing administrative fee to the Access/L.O. program for management and support.

Rationale for Jurisdictions' Contribution to Access/L.O.

The total proposed contribution from the 15 jurisdictions in Fiscal Year 1988/89 is estimated at \$55,000. Prior to Fiscal Year 1987/88 the distribution to jurisdictions was at 50% of the 5% franchise fees with the other 50% going to support the MACC office. That percentage went up to 60% for jurisdictions in Fiscal Year 1987/88. Under the proposed Access/L.O. funding plan, that percentage is proposed to go down to 52.5% beginning in January 1988. Because of the extraordinary growth in subscribers to the cable system and two \$3.00 rate increases in the last year, the jurisdictions and MACC will each receive more in franchise fee revenues in Fiscal Year 87/88 than previously budgeted, even after the formula changes of 60% to 52.5% beginning January 1988. Anticipated continued growth in the cable system in the next several years will be reflected in the future steady growth in franchise fee revenues for the jurisdictions and MACC (see projections in Appendix D).

Some of the contribution from the jurisdictions for Access/L.O. will help subsidize the costs currently charged to jurisdictions for government access programming, i.e. coverage of council meetings, training tapes, etc. The cost reduction for jurisdictions using these services should equal about 20% (see detail in Appendix E) and should allow even more jurisdictions to take advantage of the government access production services. It is also expected that all fifteen jurisdictions would be able to have one or more free video programs produced by the Government Access portion of the program each year. Those jurisdictions using MACC's current Government Access program now will see significant savings in the production cost of such programming.

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Direct Benefits of This Proposal

The following represent the major benefits of this Access/L.O. proposal:

1. An Appropriate Management Structure

The Cable Operator is primarily a purveyor of entertainment services. A non-revenue producing program like Access that involves engaging the community in local dialogue, and in expression of community values, culture, history and issues could be a low priority within the cable company. This low level of support does not lend itself well to a program requiring energy and community spirit. A nonprofit community organization would be the best vehicle to operate Access/L.O. Unfortunately, the lack of a strong access constituency (primarily due to the low level of cable company operator support), combined with the time necessary to establish such a program, probably dooms its reality at this time. MACC has demonstrated a strong administrative operation and has successfully operated Government Access for several years. MACC would seem the appropriate vehicle to transition Access/L.O. to a future nonprofit body.

2. A Program Based on the Needs of the Community

The new Access/L.O. proposed program would be citizen based. Advisory committees would be established representing various groups. These committees would help keep the MACC-based program tuned to the public needs which could form the basis of a future nonprofit governing body for Access/L.O.

3. More Efficient Community Based Facilities

The proposal to reduce the number of access facilities from the current four to two (possibly to three if details can be negotiated with Pacific University) will not weaken the program, only strengthen it. The current facilities are very small and inadequate for good production purposes. The proposed two new Access/L.O. "Centers" will be greatly expanded versions of the current facilities. They will be "people oriented" centers enabling several activities to happen at the same time. Added space in MACC's Administrative Offices will also allow the North Center to serve as a unique "community hub" for the overall program.

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4. Benefits to MACC as Well as Access/L.O.

The combining of the MACC Administrative offices with the North Center will help both programs. MACC would have over 1,000 square feet of undeveloped space available in its Administrative Office for Access/L.O. use. That space, combined with the L.O./Master Center site (provided rent free to MACC), along with adjacent empty office space will afford savings to both programs. MACC's franchise administration functions would also benefit from the nominal charges to Access/L.O. for administrative overhead and the expanded staff levels (i.e. bookkeeper, receptionist) that will be shared by both programs.

5. Adequate Funding Levels

The proposed funding levels from Columbia along with the additional money from MACC and the jurisdictions should provide an adequate level of support for the proposed program. The recommended enhancements available to the program through this funding would allow:

- a. The replacement of worn capital equipment items;
- b. The hiring of a well motivated professional staff;
- c. The remodeling of the various facilities to provide a quality setting for community programming;
- d. A quality outreach, training and volunteer program to benefit all citizens;
- e. A community resource and information service to benefit the entire franchise area;
- f. Government access programming to be more available and affordable for all governments and to become a unique communications tool; and
- g. A more consistent and quality appearance to Access channels.

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E. CONCLUSION

The proposed Community Access Television and Local Origination Programming reorganization plan described in this report will finally provide the quality local programming services promised in the Cable Television Franchise of the Metropolitan Area Communications Commission. This new management structure, combined with the proposed funding sources, will allow the program to grow and develop to meet the needs of area citizens and the cable viewing public. Within three years MACC hopes that the new Access/L.O. program would grow to the point where it could be transformed into a stand alone, citizen based nonprofit corporation. Citizens, cable subscribers, educational institutions and governments will all benefit from the enhanced community services provided by community television.



APPENDIX A

Original Storer Franchise Requirements  
1982

1. P.E.G. ACCESS FACILITIES

Five (5) community access studios to be built within the service area:

1. Forest Grove - Pacific University activated in 1983
2. Beaverton (in company's headquarters) activated in 1983
3. Tigard - activated in 1983
- 4.\* Portland Community College; Rock Creek - activated in 1984
5. Hillsboro - activated in 1984

\*PCC-Rock Creek equipment removed in 1986 - loaned to MACC to produce government access programming.

Approximately \$140,000 was spent to equip each studio.

Access Operating budget (1988 proposed) \$292,000

2. L.O. Facility

\$241,000 spent to equip an L.O. studio for staff produced local programming and commercial production.

Studio located at Master Center in Aloha to produce 24 1/2 hours of original programming a week

L.O. operating budget (1988 proposed) \$278,000

3. Mobile Production Equipment

Three mobile vans for TV production were proposed:

- a. 2 standard production vans provided in 1983 and 1985. \$130,000 spent on each van.
- b. 1-"studio on wheels" van - (NOTE: PCC Rock Creek studio equipment and mini-mobile government production unit were substituted for this requirement by the Commission in 1986)

4. FM Radio Access Studio

Equipment purchased - currently stored by operator. Is included with Access/L.O. equipment inventory.

5. Staffing

Access Staff	L.O. Staff
Year 1 - 9.5 FTE	9.5
Year 2 -12.25 FTE	12.25
Year 3 -13.5 FTE	13.50
Year 5 -10 -14.0 FTE	14.00

6. Access Channels

17 channels dedicated for access use (15 "downstream" and 2 "upstream" channels)

Currently 9 "downstream" and 1 "upstream" channel are used for access

The remaining channels are reserved for future access use.

APPENDIX B

ACCESS TASK FORCE

RECOMMENDATION

The following outlines the Access Task Force recommendations for the reorganization of the community access program.

1. MANAGEMENT STRUCTURE MACC OPERATED, WITH OPTION FOR FUTURE NON-PROFIT ORGANIZATION

The Task Force considered three primary structures for access management: company-run (status quo), MACC-run, and non-profit organization-run (NPO). The group recommended that MACC operate the access program, at least for the first two years after reorganization. Then, after two years of operation as a MACC service, the Commission would conduct a comprehensive review of the program and a study of the feasibility of establishing a non-profit organization to manage the program thereafter. The Task Force has also recommended that an access advisory and/or policy board be established to provide additional citizen input into how the program is operated.

2. FACILITIES: TWO CENTERS - ONE AT PACIFIC UNIVERSITY, AND ONE IN SOUTHEASTERN WASHINGTON COUNTY

The original MACC franchise called for five access studios, which the original franchisee, Storer Cable, subsequently built throughout the area. Since 1983, franchise modifications and agreements have changed the requirements to three studios and one editing center.

The Task Force recommended taking an "access center" approach, in which two well-equipped, flexible centers would be established. The group considered one-center and three-center scenarios in the preparation of its report, but determined that one center would present accessibility problems (with a franchise area spanning 40 miles), and three centers would not be affordable, with the necessary enhancements to staffing and other operating and capital costs.

The larger of the two centers (proposed to be in the southeast Washington County area) would contain two studios, and both would have editing suites, workshop and conference rooms, and equipment sign out areas. The MACC offices would be incorporated into the east center, as well. The equipment from the existing five facilities and the replacement components required by the Franchise Agreement, would be incorporated into the new centers.

3. PUBLIC, EDUCATIONAL AND GOVERNMENT ACCESS ("PEG"). WOULD BE COMBINED

MACC currently maintains a separate production unit to facilitate and produce government programming on behalf of the jurisdictions making up the consortium. The Task Force recommends combining this operation with public and educational access, which are currently run by the cable operator. This could avoid potential redundancy, and save the overall access program a considerable amount of operating and capital costs.

4. STAFFING: TO BE INCREASED

The Task Force recommended that the staff of the reorganized access program would be comprised of 10 "full-time equivalent" employees, increasing to about 13 by the third year of operation. Current cable operator access programming staffing is 6.5 full-time equivalents.

5. FUNDING

The Task Force recommended that Willamette fund the new program at an annual amount comparable to their franchise commitment, with supplemental support from MACC and its member Cities and the County. These latter contributions, which would total about \$150,000 per year and would be a portion of the revenues the jurisdictions receive in franchise fees from Willamette for operating a cable system on public rights-of-way.

6. ANNUAL PROGRAM EVALUATION

The Task Force recommends that, each year, the access program be evaluated according to a set of guidelines which have been mutually agreed to by the Commission and the cable operator. These guidelines, possibly related to quantifiable programming and training criteria, could have some impact upon the funding the program receives each year. It is also recommended that this evaluation not have any negative potential impact upon funding of the program until after the second year of operation, and that any evaluation procedure not involve potential substantive changes to the Franchise Agreement's access provisions.

SUMMARY

The Access Task Force has recommended a major re-structuring of the community access program which would be intended to improve the quality and level of training, outreach and referral, production and cablecasting on the access channels. The plan would call for a MACC-operated program for the first two years, with serious consideration being given to the potential of future operation by a non-profit organization. MACC would establish a citizen advisory/policy committee which would have input into the operation of the centers.

Specifically, the recommendations call for:

- Management of the program by the Metropolitan Area Communications Commission;
- Two "Access Centers";
- Public, Educational and Government access all being managed by the new organization;
- Staffing to be increased; and
- Funding to be shared by the cable operator, MACC, the cities and the County.

## METROPOLITAN AREA COMMUNICATIONS COMMISSION

PROJECTED FRANCHISE FEE DISBURSEMENTS  
TO MEMBER JURISDICTIONS

	*1*	*2*	*3*	*4*	*5*
	% REVENUE	52.5% FY 88/89	60% FY 88/89	"ACCESS" CONTRIBUTION FY 88/89	BUDGET ESTIMATES FY 87/88
JURISDICTION					
Banks	0.18%	699.99	799.99	100.00	589.81
Beaverton	17.13%	66,615.70	76,132.23	9,516.53	58,214.88
Cornelius	1.86%	7,233.23	8,266.55	1,033.32	6,073.90
Durham	0.46%	1,788.86	2,044.41	255.55	1,509.27
Forest Grove	4.61%	17,927.52	20,488.59	2,561.07	15,659.73
Hillsboro	12.78%	49,699.28	56,799.18	7,099.90	43,482.69
King City	0.96%	3,733.28	4,266.60	533.33	3,166.16
Lake Oswego	17.37%	67,549.02	77,198.88	9,649.86	58,826.50
North Plains	0.24%	933.32	1,066.65	133.33	822.59
Rivergrove	0.32%	1,244.43	1,422.20	177.78	1,151.49
Sherwood	1.05%	4,083.27	4,666.60	583.32	3,501.99
Tigard	11.47%	44,604.91	50,977.04	6,372.13	38,500.40
Tualatin	5.00%	19,444.16	22,221.90	2,777.74	16,601.29
Wash. County	24.60%	95,665.28	109,331.75	13,666.47	84,418.59
Wilsonville	1.97%	7,661.00	8,755.43	1,094.43	6,640.19
TOTAL	100.00%	\$388,883.25	\$444,438.00	\$55,554.75	\$339,159.48

\*1\* Represents Estimated Percentage of Cable Operator Revenue Received Per Jurisdiction Based Upon Subscriber Revenue From Residents of Each Jurisdiction

\*2\* Estimated Revenue Represents Disbursements to Jurisdictions at 52.5% of Total Franchise Fee Revenues, Considering Approval of Community Access Reorganization and Administration by MACC, With Contributions Beginning January 1, 1988 with MACC Administration Receiving 30% of Franchise Fees and Community Access Television Receiving 17.5%

\*3\* Estimated Revenue Represents Disbursements to Jurisdictions at Current Level of 60% of Total Franchise Fee Revenues, with MACC Retaining 40% of Franchise Fee Revenues for MACC Administration

\*4\* Represents Estimated Franchise Fee Revenues by Jurisdiction for Support of the Community Access Program, Considering Approval of the Reorganization of Community Access Television and Jurisdiction Approval of the Changes in Disbursement of Franchise Revenue

\*5\* Indicates the Estimated Amount of Projected Franchise Fee Revenue Disbursements to Member Jurisdictions for Fiscal Year 1987/1988

## GOVERNMENT PROGRAMMING COST COMPARISON

The following outlines the projected cost savings to jurisdictions in obtaining MACC government programming production services to cover council, commission, and other public proceedings, under the new community access program under consideration by the MACC jurisdictions.

## INDIVIDUAL MEETINGS

Length of Meeting (Hours)	Current MACC Charges	Proposed MACC Charges	Savings to Jurisd's.	Savings as Percentage
1.00	\$200.00	\$150.36	\$49.64	24.82%
1.50	\$200.00	\$168.88	\$31.12	15.56%
2.50	\$264.00	\$205.92	\$58.08	22.00%
3.00	\$296.00	\$224.44	\$71.56	24.18%
5.00	\$424.00	\$298.52	\$125.48	29.59%

## EXAMPLES OF ANNUAL SAVINGS TO JURISDICTIONS

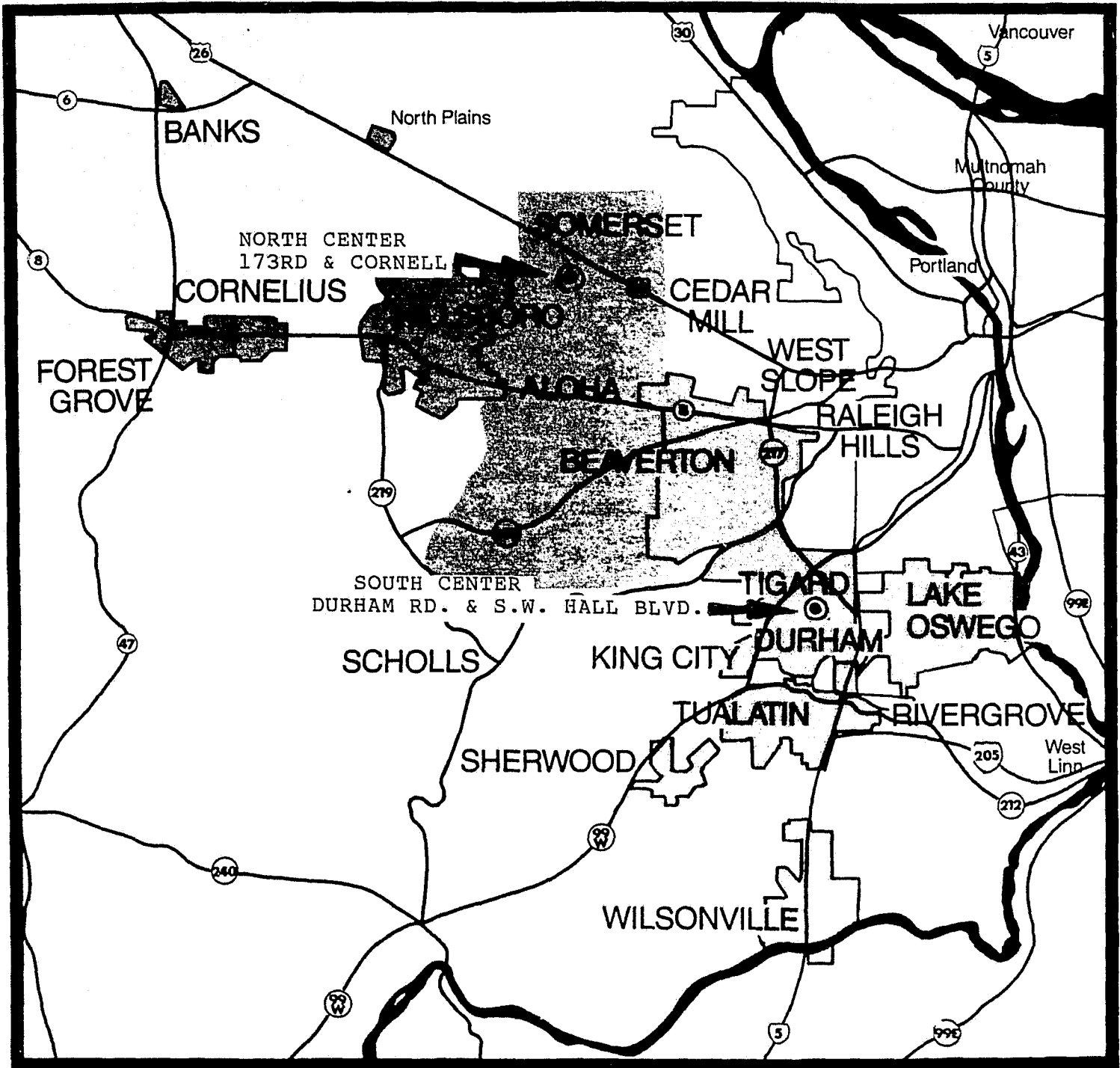
Jurisdiction	No. of Mtngs. (Ann.)	Avg. Length	1987			
			Current MACC Charges (Annual)	Proposed MACC Charges (Annual)	Savings to Jurisd's. (Annual)	Savings as Percentage (Annual)
Tualatin	27	2.12	\$6,650.00	\$5,189.44	\$1,460.56	21.96%
Tigard	23	2.59	\$5,921.00	\$4,632.10	\$1,288.90	21.77%
Washington County *	46	2.95	\$12,679.00	\$10,259.42	\$2,419.58	19.08%

NOTE: Washington County's savings are slightly lower than those for other jurisdictions because the County's contractual rates for the first half of calendar year 1987 were lower.



APPENDIX C  
PROPOSED LOCATION  
OF MACC OPERATED  
ACCESS CENTERS

Oregon Area



 Willamette Cable Service Area