

**AMENDING THE CODIFIED ORDINANCES OF THE CITY OF MASON TO INCLUDE CHAPTER 720 ADDING PROVISIONS FOR COMPETITIVE VIDEO SERVICE AUTHORIZATIONS, ESTABLISHING FEES, DEFINING CERTAIN TERMS, AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO PROVIDE CERTAIN NOTICE TO THE VIDEO SERVICE PROVIDERS OFFERING VIDEO SERVICE IN THE CITY PURSUANT TO A STATE AUTHORIZATION; AND DECLARING AN EMERGENCY.**

WHEREAS, the Ohio General Assembly enacted Sections 1332.21 through 1332.34 of the Ohio Revised Code, and such enactment provides for a “uniform regulatory framework” on a statewide basis for the provision of cable television and/or other video service,

WHEREAS, Sections 1332.21 through 1332.34 of the Ohio Revised Code became effective on September 24, 2007; and

WHEREAS, Sections 1332.21 through 1332.34 of the Ohio Revised Code will substantially reduce the City of Mason’s (“City”) traditional franchising authority under the Cable Communications Policy Act of 1984 as amended by the Telecommunications Act of 1996 (47 U.S.C. 521 et seq.) to regulate cable and/or video service offered in the City using facilities and equipment located in the City’s public rights-of-way; and

WHEREAS, the City has a current cable television franchise agreement with Time Warner Cable which expires by its own terms in 2009 and pursuant to which Time Warner pays franchise fees in the total amount of five percent (5%) of gross revenues which are defined by the franchise agreement and do not specifically exclude advertising revenues; and

WHEREAS, pursuant to R.C. Section 1332.23, any new video service provider intending to provide video service to subscribers in the City must apply for and obtain a video service authorization (“VSA”) from the Director of the Ohio Department of Commerce; and

WHEREAS, upon being granted a VSA by the Director of the Ohio Department of Commerce, the applicant shall be considered a competitive video service provider (“VSP”); and

WHEREAS, R.C. Section 1332.23 also permits a cable operator with an effective franchise agreement to terminate its franchise with the City, at its option, by applying for a state VSA when a competitive video service provider either gives notice that it will begin providing service to subscribers in the City or actually begins providing service to subscribers in the City, or if the FCC determines that the cable operator is subject to “effective competition” in the City pursuant to 47 CFR 76.907; and

WHEREAS, under R.C. Section 1332.32, a VSP that is providing service to subscribers in the City pursuant to a state-issued VSA must pay the City a video service provider fee (“VSP Fee”) based on a percentage of the provider’s “gross revenues” derived from providing video service in the City, not to exceed five percent (5 %) of such revenues; and

WHEREAS, R.C. Section 1332.32 requires that in any calendar quarter the percentage of gross revenues on which VSP Fees are paid must be the same as the percentage of gross revenues that the cable operator pays pursuant to a franchise agreement that is in effect (or alternatively if multiple franchises are in effect in a jurisdiction, the lowest such percentage paid a cable operator pursuant to a franchise agreement that is in effect shall be paid), or, if there is no effective franchise agreement under which franchise fees are payable, the VSP Fee shall be zero percent (0%) of gross revenues, unless the City determines by ordinance or resolution that the VSP Fee will be a higher percentage of gross revenues, not to exceed five percent (5 %) of gross revenues; and

WHEREAS, R.C. Section 1332.32(C)(2) further requires the City to provide all VSPs offering service in the City with notice of the VSP Fee requirements within ten (10) days of

receiving notice from the VSP that it will begin offering service in the City, or the VSP is not required to pay the VSP Fee to the City; and

WHEREAS, R.C. Section 1332.32(B)(2)(g) provides that the VSP Fee is paid on a base of gross revenue received from subscribers having service addresses within the jurisdiction that consists of revenues as are defined in R.C. Section 1332.32(B)(1)(a-e) but specifically excludes revenues as defined in R.C. Section 1332.32(B)(2)(a-h), unless the City determines, by ordinance uniformly applicable to all VSPs, that advertising revenues as defined by R.C. Section 1332.32(B)(2)(g) are also be included in the base of gross revenues on which the VSP Fee is paid; and

WHEREAS, R.C. Section 1332.32(B)(2)(g) requires the City to promptly notify affected VSPs of the ordinance determining to include advertising revenues in the base of gross revenues on which the VSP Fee is paid, but provides that the requirement to include advertising revenues in the base of gross revenues does not take effect until the first day of the first calendar quarter that begins more than thirty (30) days after giving such notice; and

WHEREAS, in order to provide timely notice to a VSP of the VSP Fee, it is necessary for this Council to determine now that the percentage of gross revenues that shall be paid as a VSP Fee is five percent (5%) and that advertising revenues in accordance with R.C. Section 1332.32(B)(2)(g) shall be included in the base of gross revenues on which the VSP Fee is paid, to authorize the City Manager or designee to provide notice of the VSP Fee to a VSP within ten (10) days of the City receiving notice that a VSP will begin providing service in the City; and

WHEREAS, the City has previously authorized the Intercommunity Cable Regulatory Commission (“ICRC”) to manage and direct the City’s cable franchise management, public, educational, and government access programming and franchise fee collection activities and now desires to additionally authorize ICRC to manage and direct the City’s VSA public, educational, and government access programming and VSP Fee collection activities as may be necessary under R.C. Sections 1332.21 through 1332.34 of the Ohio Revised Code; and

WHEREAS, Time Warner currently pays to ICRC a required additional fee based upon a per subscriber per month calculation, on a quarterly basis, to benefit community programming and in accordance with the requirements of R.C. Section 1332.30(E)(2)(a)(i) any VSP providing video service in the City shall be required to provide the City an amount on a per subscriber basis equal to such per fee being paid to the City by the incumbent cable provider with the most recent obligation until at least January 1, 2012, which shall be known as the Community Service Fee (“CSF”); and

WHEREAS, R.C. Section 1332.30(A)(2) requires that the City provide written notice to a VSP that it shall be required within one-hundred and twenty (120) days of receipt of that notice to provide the same number of public, educational and government access (“PEG”) channels under the same service tier conditions and subject to the same channel reclamation conditions as may be proscribed by R.C. Section 1332.30(A)(1)(a-b) for the current incumbent cable provider of video or cable service with the most recent obligation in the City; and

WHEREAS, R.C. Section 1332.30(A)(1)(a) requires that if more than three (3) PEG channels are required to be provided to the City by an incumbent cable provider or VSP, then any such additional channel may be reclaimed by the incumbent cable provider or VSP if it is programmed with fewer than forty (40) hours of non-character generated content per week and less than sixty per-cent (60%) of the programming is non-repeat and locally produced, all referred to as “not substantially utilized”; and

WHEREAS, because R.C. Section 1332.30(A)(1)(a) fails to provide guidance as to what “non-repeat and locally produced” shall mean, the City believes it necessary to define “non-repeat and locally produced” as the first three (3) playbacks of programming produced or provided by any local resident, ICRC or its affiliates, or any local public or private agency that provides services to residents of the greater Cincinnati metro area, or any transmission of a meeting or proceeding of any local, state, or federal governmental entity; and

WHEREAS, it is the desire of the City that all payments of VSP Fees and Community Service Fees continue to be made directly to ICRC, quarterly, no later than sixty (60) days after the end of a calendar quarter; and

WHEREAS, the PEG programming origination point for the City is currently and shall remain located at the ICRC office location, unless and until the City and ICRC shall designate otherwise; and

WHEREAS, R.C. Sections 1332.21 through 1332.34 contain numerous requirements that a VSP provide certain specific notifications to the City, but otherwise fail to adequately proscribe the specific manner in which such notice should be provided and the City believes that such notice should properly be provided in writing to both the City Manager and the Executive Director of ICRC by either certified mail, express mail or personal delivery, all evidenced by a return receipt; and

WHEREAS, in order to enable the City to treat incumbent cable providers and VSPs appropriately and adequately and properly address all the requirements and conditions of Sections 1332.21 through 1332.34 of the Ohio Revised Code as enacted by the Ohio General Assembly, the City believes it is necessary to amend the Codified Ordinances of the City of Mason to include Chapter 720.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Mason, Ohio, six, members concurring:

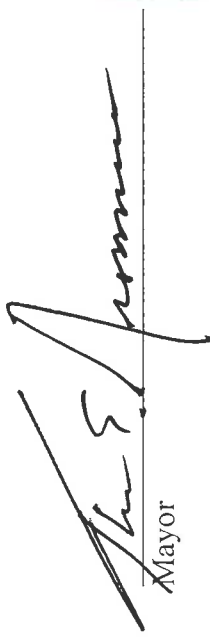
Section 1. That the Codified Ordinances of the City of Mason, Ohio is hereby amended to include Chapter 720, as set forth in Exhibit "A," attached hereto and incorporated herein by reference.

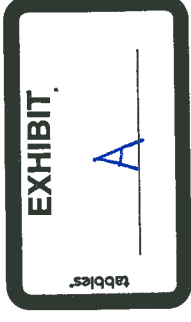
Section 2. This ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety and welfare of the City of Mason and shall be effective immediately upon its passage. The reason for such emergency is to ensure that the City continues to timely receive appropriate fees and public access service provision from persons providing video and/or cable service in the City using the City's rights-of-way.

Passed this 17<sup>th</sup> day of December, 2007.

Attest:

  
Clerk of Council

  
Mayor



## CHAPTER 720: VIDEO SERVICE REGULATIONS

### 720.01 DEFINITIONS.

When used in this chapter:

- (a) "Intercommunity Cable Regulatory Commission (ICRC)" means a regional council of governments organized under Ohio law of which the City of Mason is a member having the authority to conduct certain administrative procedures on behalf of the City in relation to this ordinance.
- (b) "Community Service Fee or CSF" means the fee required to be paid to the City by a VSP in accordance with the requirements of 720.02.
- (c) "Incumbent Cable Provider" means any person who on the effective date of this Section is the holder of a cable franchise agreement with the City as granted pursuant to requirements of 47 U.S.C 541.
- (d) "PEG" means the activities or actions performed for the benefit of public, educational and government video programming by the City or ICRC.
- (e) "Video Service" means the service defined in R.C. Section 1332.21(J).
- (f) "Video Service Authorization or VSA" means the authorization granted to a Video Service Provider in accordance with the requirements of R.C. Sections 1332.21 to 1332.34 et seq.
- (g) "Video Service Provider Fee or VSP Fee" means the fee paid by a VSP in accordance with the requirements of R.C. Section 1332.32.
- (h) "Video Service Provider or VSP" means a person, firm, or corporation granted a Video Service Authorization under R.C. Sections 1332.21 to 1332.34 et seq.

**720.02 VSP FEE.** In accordance with the requirements of R.C. Section 1332.32, all VSPs providing video service in the City pursuant to a VSA obtained from the Director of the Ohio Department of Commerce shall pay a VSP Fee in the amount of five percent (5%) of gross revenues received from providing Video Service in the City, which gross revenue base shall include advertising revenues. The VSP Fee shall be paid quarterly, not later than sixty (60) days after the end of each calendar quarter.

**720.03 VSP FEE NOTICE PROVISION.** Upon receipt of notice from a VSP that it will begin providing Video Service in the City pursuant to a state-issued Video Service Authorization, the City Manager or his/her designee is authorized and directed to provide such VSP with notice of the VSP Fee as determined by this Council in §720.02 which notice shall be delivered in a manner that provides for proof of timely delivery.

**720.04 ICRC MANAGEMENT AUTHORIZATION.** The City authorizes ICRC to manage and direct the City's cable franchise management, public, educational, and government access programming and franchise fee collection activities and further directs ICRC to manage and direct the City's VSA public, educational, and government access programming and VSP Fee collection activities as may be necessary under R.C. Sections 1332.21 through 1332.34 et seq., all until such time as the City may terminate or revoke such grant of authority.

**720.05 ICRC REGULATORY AUTHORIZATION.** ICRC shall coordinate regulatory efforts for the City and provide expertise on other matters regarding cable franchises, cable service providers, VSAs, VSPs, and other electronic media. Additional responsibilities shall include the creation and promotion of the community media center and PEG access channels, the establishment and review of programming policies, resolution of policy disputes and questions of equal treatment for access users, and fiscal controls. If matters of contract interpretation arise concerning community programming, ICRC shall be consulted.

**720.06 VSP COMMUNITY SERVICE FEE.** Upon receipt of notice from a VSP that it will begin providing Video Service in the City pursuant to a VSA, the City Manager or his/her designee is authorized and directed to provide such VSP with notice that the VSP shall be required to pay to ICRC, until at least January 1, 2012, an additional fee based upon a per subscriber per month calculation, on a quarterly basis, which fee shall be known as the Community Service Fee and shall benefit community programming and public access in the City, which fee shall be equal, on a per subscriber basis, to the fee currently paid the Incumbent Cable Provider with the most recent such obligation, which notice shall be delivered in a manner that provides for proof of timely delivery.

**720.07 VSP ACCESS PROVISION.** Upon receipt of notice from a VSP that it will begin providing Video Service in the City pursuant to a VSA, the City Manager or his/her designee is authorized and directed to provide such VSP with notice that the VSP shall be required to provide the same number of PEG channels in the City under the same service tier conditions and subject to the same channel reclamation conditions as may be proscribed by R.C. Section 1332.30(A)(1)(a-b) for the Incumbent Cable Provider with the most recent obligation in the City, which notice shall be delivered in a manner that provides for proof of timely delivery and shall state the appropriate number of PEG channels and service tiers required to be provided by the VSP within the City within one-hundred and twenty (120) days after delivery of such notice.

**720.08 ACCESS PROGRAMMING REQUIREMENTS.** In accordance with the requirements of R.C. Section 1332.30(A)(1)(a) when more than three (3) PEG access channels are provided to the City by an Incumbent Cable Provider or VSP, such additional channel shall be programmed by the City with at least forty (40) hours of non-character generated content per week with at least sixty per-cent (60%) of the programming being non-repeat and locally produced. For the purposes of this Section “non-repeat and locally produced” shall mean the first three (3) playbacks of programming produced or provided by any local resident, ICRC or its affiliates, or any local public or private agency that provides services to residents of the greater Cincinnati metro area, or any transmission of a meeting or proceeding of any local, state, or federal governmental entity.

**720.09 FEE PAYMENT REQUIREMENTS.** Any VSP Fee or Community Service Fee payments required to be paid to the City by a VSP shall be made quarterly and be remitted directly to ICRC via a negotiable instrument made payable to the City of Mason, and deliverable to the ICRC office location, not later than sixty (60) days after the end of a calendar quarter.

**720.10 PEG ORIGINATION POINT.** The PEG programming origination point of the City for the delivery of VSP access services shall be located at the ICRC office location.

**720.11 NOTICE REQUIREMENT.** Any notice to the City that is required of a VSP in accordance with of R.C. Sections 1332.21 through 1332.34 shall be provided in written form to both the City Manager and the Executive Director of ICRC either by certified mail, express mail or upon personal delivery, all evidenced by a return receipt.

**720.12 APPLICATION TO INCUMBENT CABLE PROVIDERS.** Nothing in this Section shall apply to Incumbent Cable Providers until they are granted a Video Service Authorization in accordance with R.C. 1332.21-1331.34 et seq.