



Legislation Text

File #: 16-1154, **Version:** 1

Resolution to Approve Renewal of Uniform Video Service Local Franchise Agreement with Michigan Bell Telephone Company, d/b/a AT&T Michigan

Attached for your review and approval is a resolution to approve a renewal of the Uniform Video Service Local Franchise Agreement with Michigan Bell Telephone Company, d/b/a AT&T Michigan ("AT&T") that City Council approved on April 16, 2007. The Agreement is in a form mandated by the Michigan Public Service Commission by an Order dated January 30, 2007, issued pursuant to the Uniform Video Service Local Franchise Act, 2006 Public Act 480 (MCL 484.3301 et seq.) ("Act"). The renewal is for a ten year term.

Although AT&T's existing franchise agreement does not expire until April 2017, on August 26, 2016, AT&T applied for this renewal of its franchise agreement using the application form mandated by the Michigan Public Service Commission. That application is essentially just the Agreement with AT&T's pertinent information filled in. The service area within Ann Arbor is provided as confidential information, as authorized by the Act.

AT&T proposes to continue to provide its AT&T U-verse TV service.

In accordance with the Act, the amount of the franchise fees that AT&T will pay to the City is the same as what Comcast, the incumbent provider in Ann Arbor, currently pays, which is 5% of gross revenues. The amount of the PEG (Public, Educational and Government channels) fees that AT&T will pay to the City is the same as what Comcast currently pays, which is 2% of gross revenues. Pursuant to the Act, AT&T is not required to provide any other compensation or in-kind services to the City.

As required by the Act, AT&T will reserve capacity for all 4 of the City's PEG channels. However, AT&T is not required to carry any of the PEG content until the City makes a request. At that time, AT&T will have 90 days to provide the PEG channels to its customers. The Act requires the City to bear the cost of connecting its PEG feed to AT&T's system and requires the City to bear the cost of converting its signal to a format that AT&T can use.

When the original franchise agreement was approved in 2007, staff proposed to wait to ask AT&T to carry any of the PEG channels until more information was known as to the cost and technical requirements for connection and signal conversion for the PEG channels to be fed to AT&T. Technical hurdles have continued and AT&T does not currently provide PEG service in Ann Arbor; nor has the City asked AT&T to provide PEG service. However, the City and AT&T have been in discussions that may result in AT&T providing PEG services during the term of this renewal. The request for AT&T to carry one or more of the City's PEG channels is not done outside the Agreement, and there is no deadline for the City to make the request.

A copy of the renewal Agreement, but without the confidential information provided by AT&T, is attached.

Approval of the resolution to approve renewal of the Uniform Video Service Local Franchise Agreement with Michigan Bell Telephone Company, d/b/a AT&T Michigan, is recommended.

Prepared by: Abigail Elias, Chief Assistant City Attorney

Approved by: Howard S. Lazarus, City Administrator

Whereas, On August 26, 2016, Michigan Bell Telephone Company, d/b/a AT&T Michigan, applied for renewal of its Uniform Video Service Local Franchise Agreement from the City of Ann Arbor;

Whereas, The Uniform Video Service Local Franchise Act requires the City to act on an application for Uniform Video Service Local Franchise Agreement within 30 days after receipt of the application; and

Whereas, The proposed renewal of the Uniform Video Service Local Franchise Agreement is in a form mandated by the Michigan Public Service Commission by an Order dated January 30, 2007, issued pursuant to the Uniform Video Service Local Franchise Act, 2006 Public Act 480 (MCL 484.3301 et seq.);

RESOLVED, That the City reserves all rights to challenge the legality of the Uniform Video Service Local Franchise Act or any part of it, reserves its rights in the event the legality of the Uniform Video Service Local Franchise Act is challenged by others and the Act or any part of it is found to be illegal, and reserves its rights to negotiate different or additional terms in this or future renewals of video service local franchise agreements;

RESOLVED, That notwithstanding and subject to the foregoing Resolved clause, the Mayor and City Clerk be authorized and directed to execute said renewal of the Uniform Video Service Local Franchise Agreement with Michigan Bell Telephone Company, d/b/a AT&T Michigan, after approval as to form by the City Attorney and approval as to substance by the City Administrator; and

RESOLVED, That notwithstanding and subject to the first RESOLVED clause, the City Administrator be authorized to take necessary administrative actions to implement this resolution.