

RESOLUTION NO. 1004

A RESOLUTION ACCEPTING THE CONSOLIDATION OF CABLE REGULATION IN MULTNOMAH COUNTY FINAL REPORT, NOVEMBER 1992.

WHEREAS, The City of Troutdale has received the Joint Cable Regulation Consolidation Task Force Final Report by the City of Troutdale Representative, Gene Bui; and

WHEREAS, it is believed that the consolidation of Cable Regulation will provide the citizens of east Multnomah County with a more efficient and effective cable service; and

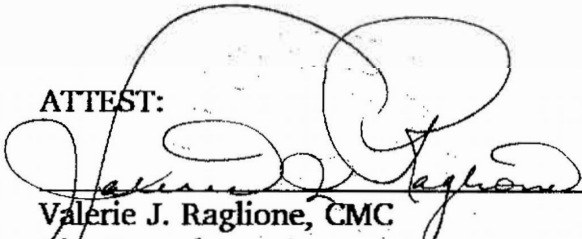
WHEREAS, the City Council has had no further comments or additions to the Final Report

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF TROUTDALE THAT: the Consolidation of Cable Regulation in Multnomah County Final Report dated November, 1992 be accepted as presented [*Exhibit A attached*].

ADOPTED BY THE COMMON COUNCIL OF THE CITY OF TROUTDALE THIS
12 DAY OF January, 1993.

YEAS: 5
NAYS: 0
ABSTAINED: 0

ATTEST:


Valerie J. Raglione, CMC
City Recorder

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Gene Bui, Mayor

Dated:

January 13, 1993

JOINT CABLE REGULATION CONSOLIDATION TASK FORCE

*City of Portland
Multnomah County*

*City of Gresham
City of Fairview*

*City of Troutdale
City of Wood Village*

CONSOLIDATION OF CABLE REGULATION IN MULTNOMAH COUNTY

**FINAL REPORT
NOVEMBER 1992**

PRESENTED TO

**THE JURISDICTIONS OF PORTLAND, GRESHAM, TROUTDALE, FAIRVIEW
AND WOOD VILLAGE, AND MULTNOMAH COUNTY**

PRESENTED BY

JOINT CABLE REGULATION CONSOLIDATION TASK FORCE

TASK FORCE MEMBERS

Jack Adams, City of Gresham

Gene Bui, City of Troutdale and Fairview

Frank Howatt, Portland Cable Regulatory Commission

Cece Hughley, City of Portland

Sharron Kelley, Multnomah County

Ken Osuna, Portland Cable Regulatory Commission

Stuart Kaplan, Portland Cable Regulatory Commission

Don Robertson, City of Wood Village

W. Robert Connors, Multnomah Cable Regulatory Commission

TASK FORCE STAFF

David Olson and Mary Beth Henry

City of Portland, Office of Cable Communications and Franchise Management

Julie S. Omelchuck

Multnomah Cable Regulatory Office

Introduction

The Joint Cable Regulation Consolidation Task Force was established by the Jurisdictions of Portland, Gresham, Troutdale, Wood Village, and Fairview and Multnomah County through authorizing resolutions. The Task Force was charged with developing and recommending by November 2, 1992 a proposal for adoption by the participating Jurisdictions to form a single cable television regulatory commission in Multnomah County. The objectives of the Task Force include:

- providing for administrative support for the consolidated commission at fiscal savings from the current structure, without sacrificing regulatory effectiveness;
- enabling other jurisdictions to participate in the future if they elect to do so;
- establishing a mechanism to facilitate future consolidation of the east side Paragon Cable franchises without reducing public benefits provided under the current separate agreements;
- ensuring participating jurisdictions retain budget and discretionary review authority; and,
- establishing an orderly transition plan for the consolidated commission, including affected staff and administrative functions.

The Task Force consists of appointed members from each jurisdiction and members of the Portland Cable Regulatory Commission (PCRC) and the Multnomah Cable Regulatory Commission (MCRC).

Over the past three months, the Task Force met and reached consensus on several issues regarding a County-wide regulatory structure. In its deliberations, the Task Force reviewed dozens of options for a consolidated regulatory structure, including ideas from Washington County, four consortium regulatory commissions in different parts of the country, and the current MCRC and PCRC models. The Task Force recommendations are summarized in this report.

Benefits

The benefits of creating a unified cable regulatory structure include the following:

- Provides savings for the Jurisdictions in the aggregate of \$30,000 -\$50,000;
- Maintains local control;
- Increases leverage in negotiations with cable companies;
- Provides a framework to allow other Jurisdictions to participate;
- Retains staff expertise of all current franchises;
- Provides experienced franchise renewal staff for the upcoming Paragon renewal;
- Eliminates duplication of service; and
- Responds to the recommendations of the Governor's Task Force on Local Government services.

Summary of Proposed Cable Regulatory Structure

The Task Force proposes that the jurisdictions create, through an intergovernmental agreement, a cable regulatory commission, named the "Consolidated Cable Communications Commission," which would administer and enforce cable television franchise agreements throughout Multnomah County.

The Task Force recommends the following mission statement for the Commission:

The mission of the Consolidated Cable Communications Commission is to enforce and administer cable television franchise agreements for the Jurisdictions of Portland, Gresham, Troutdale, Fairview, Wood Village and Multnomah County; to oversee contracts for community access television and for other public service obligations of the franchises; and to act as a source of information and advocacy on matters relative to cable communications for the member Jurisdictions and their citizens.

The Commission would have full enforcement authority and would serve an advisory role to the Jurisdictions in franchise issuances, renewals, revocation, extensions, amendments and change in control. The Commission could issue violations and penalties in the event a cable company failed to meet franchise obligations. However, the Jurisdictions would retain discretionary review over those Commission decisions.

If one Jurisdiction exercised discretionary review, all other affected Jurisdictions would be notified and a review process undertaken. A majority vote by the affected Jurisdictions would be required to overturn or amend Commission actions on franchise violations or penalties. A discretionary review flowchart is attached as Exhibit 1.

The Commission would consist of eight members: three from Portland (Paragon, TCI and Columbia Cable) and one each from the five other Jurisdictions. Commission actions would require a simple majority vote and the chair would vote on all issues. The Commission, through its bylaws, would determine how to address tie votes.

The Jurisdictions would fund the commission through an annual budget process. The Commission would develop an annual budget and forward it to each jurisdiction for approval. Unanimous approval by the Jurisdictions would be required for the Commission's budget to be effective. In adopting the budget, the Jurisdictions would approve their individual contributions as well as the budget as a whole.

For the first budget year, the methodology for funding by the Jurisdictions will be based on three determining areas: function, cost allocation unit and percentage distribution of cost. For ensuing budgets, the Commission may adjust the methodology during the annual budget process. The methodology is shown in Exhibit 2. The program functions are described in Exhibit 3.

Units are those elements which trigger the costs of each function (e.g. the number of franchise agreements, jurisdictions, contracts, subscribers, etc.). The percentage distribution is the estimated percentage of total resources (personnel, materials and services) used to address a program function area (e.g. staff estimates that 40 per cent of total resources will be required to enforce the franchise agreements).

The Task Force believes the methodology is equitable and fair with no Jurisdiction contributing more to regulation than it does under the current regulatory service level. The methodology also considers efficiencies gained by larger numbers of subscribers and resources needed for base-line regulation of franchise agreements. A summary of each Jurisdiction's FY 92-93 cable regulation budget and the corresponding number of subscribers appears in Exhibit 4.

In order to fulfill its responsibilities, the Commission would contract for administrative services and staffing with a member Jurisdiction. The Task Force recommends that the Commission contract for administrative services with the City of Portland. The Task Force also recommends that one position from the current MCRC transfer over to the City of Portland to assist in staffing the new Commission.

Regarding the relationships between the Commission and community access television organizations, the Task Force hopes to maintain as much as possible the processes familiar to all the Jurisdictions and the access providers. The City of Portland would retain the contract with Portland Cable Access (PCA). PCA's budget would go through the City of Portland general fund budget process with a recommendation from the Commission. Multnomah Community Television's (MCTV) contract would be included in the Commission's budget for approval by the Jurisdictions.

In addition, the commission would preserve, as much as possible, the status quo in regard to the East County contracts for local origination and the Program in Community Television at Mt. Hood Community College.

Public Process

The Task Force met bi-weekly during August and September and weekly during October. All the Task Force meetings were open to the public. The Task Force also held a public hearing on October 14, 1992 at 7:30 p.m. at Portland Cable Access. The hearing was a live, cablecast, call-in program shown on Channel 33 throughout Multnomah County. Five citizens testified, one in person and four by telephone. Issues raised during public testimony included why consolidate, how will local control be maintained, will the Commission exercise rate control, and the effect on local origination and access. Task Force members and staff responded to all issues.

Implementation Plan

An Implementation Plan outlining issues that will be addressed during a four-month transition phase appears in Exhibit 5.

EXHIBIT 1

JOINT CABLE REGULATION CONSOLIDATION TASK FORCE

City of Portland

City of Gresham

City of Troutdale

Multnomah County

City of Fairview

City of Wood Village

JURISDICTIONAL DISCRETIONARY REVIEW FLOWCHART

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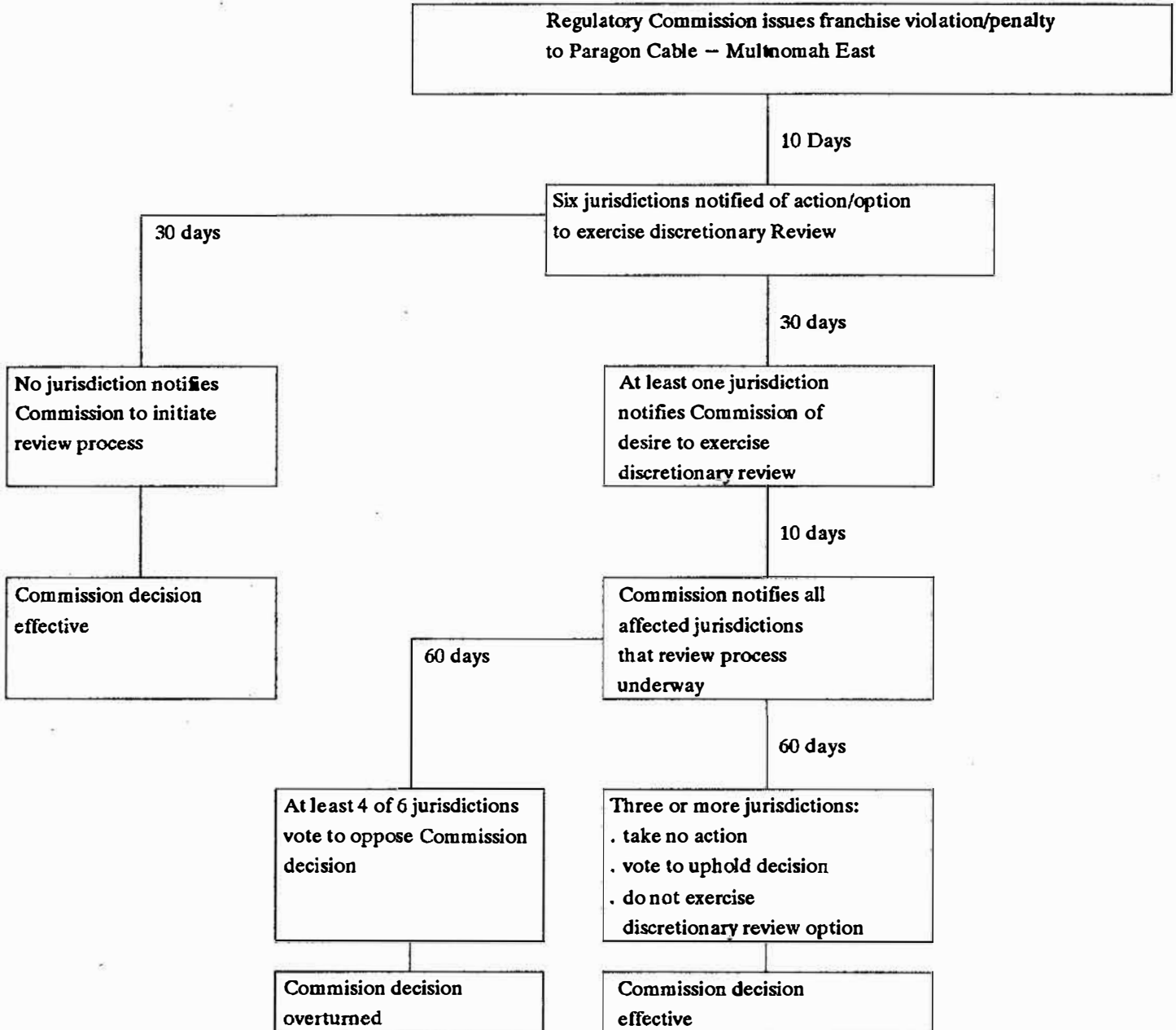


EXHIBIT 2

CONSOLIDATED CABLE COMMUNICATIONS COMMISSION

02-Nov-92

Cost Allocation Methodology						
Functions	Cost Allocation Unit	% of Cost Distribution	Amount of Distribution	Total No. of Units	No. of Units PCRC	No. of Units MCRC
1. Complex Franchise Reg./Negotiation/Enforc.	No. of Franchises	40.0%	\$	3.17	2.17	1.00
2. Consumer Issues	No. of Subscribers	20.0%	\$	125,100.0	95,295.0	29,805
3. Monitoring Access and PCTV	No. of Contracts	10.0%	\$	3.0	1.0	2
4. Liaison with Jurisdiction	No. of Jurisdiction	10.0%	\$	6.0	1.0	5
5. FCC/Legislation	No. of Subscribers	10.0%	\$	125,100.0	95,295.0	29,805
6. Administration	Prop. to 1,2,3 & 4	10.0%	\$	100%	%	%
Total		100.0%				

PCRC: Portland Cable Regulatory Commission

MCRC: Multnomah Cable Regulatory Commission

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EXHIBIT 3

UNIFIED CABLE REGULATORY OFFICE

MAJOR FUNCTIONS OF PROGRAM

1. Franchise Regulation/Negotiation/Enforcement

Includes staffing the Consolidated Cable Communications Commission and franchise administration, regulation, and enforcement. Activities include ensuring compliance with all franchise terms including technical and customer service provisions, financial management and disbursement of cable franchise revenues and LO obligations. It also includes conducting franchise renewals and transfers of ownership. The franchise renewal periods for Paragon begin in 1993 for Portland and in 1995 for East County.

2. Consumer Issues

Includes providing verbal or written responses to complaints, facilitating successful resolution with the cable company, and compliant tracking and reporting. Also includes consumer relations such as notifications to subscribers about the Commission's services, the East County consumers' guide, and the annual customer satisfaction survey.

3. Monitoring Access Organizations and the Program in Community Television

Includes oversight of two access organizations and the Program in Community Television at Mt. Hood Community College.

4. Liaison

Includes Jurisdictional relations related to general Commission activities, the annual budget approval process and jurisdictional discretionary review rights in franchise violations.

5. FCC/Legislation

Includes advocacy and informational activities regarding FCC and federal and state legislative matters.

6. Administration

Includes financial, budget planning, personnel, payroll and other general administrative services to ensure the office meets all administrative ordinances, policies and procedures.

EXHIBIT 4

JOINT CABLE REGULATION CONSOLIDATION TASK FORCE

City of Portland
Multnomah County

City of Gresham
City of Fairview

City of Troutdale
City of Wood Village

FY 92-93 Budgets and Number of Subscribers by Jurisdiction
Fiscal Year 1992-93

JURISDICTION	FY 92-93 BUDGET	NO. OF SUBSCRIBERS
Portland	\$207,081	95,295
Gresham	\$88,781	16,734
Wood Village	\$3,539	673
Troutdale	\$11,232	2,110
Multnomah county	\$46,314	8,725
Multnomah county(TCI)		795
Fairview	\$4,001	768

Transition Plan
Page Two

- Jan. 25-March 1 Commission members and staff meet with elected officials and the cities and county staff people to answer questions and address concerns about FY 1993-94 budget proposal.
- Feb. 8 Commission meeting: -approve Bylaws.
-decide issue of Commission legal representation in general.
-approve FY 1992-93 financial policy.
- March 1 County and City of Portland approve transfer terms of staff from County to City of Portland.
- March 1-April 1 Six Jurisdictions consider and vote on FY 1993-94 budget.
- March 8 City of Portland and Multnomah County approve FY 1992-93 Budget amendments.
- March 8 Commission meeting: -approve Administrative Services Agreement between Commission and City of Portland, including staffing of Commission and Commission accountability/evaluation structure in relation to City staff, effective March 31.
-approve fund accounting policy with the City of Portland including accounting system and reports and overall accounting system for franchise fees and MCTV/PCTV/Jurisdictions payments.
-approve investment policy for East Paragon Franchise Settlement Fund (if necessary).
- April 5-15 Move cable offices, including packing, moving(both offices), computer hook ups, phone transfers, etc.
- April 15 "Official" transfer of MCRC office and Multnomah County staff to City of Portland.
- April 15 Transfer of all MCRC funds from County to Portland.