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April 23, 2015

Birmingham City Commission
151 Martin Street, P.O. Box 3001
Birmingham, MI 48012-3001

Re: Renewal of Comcast Cable Television Franchise

Dear Mayor and Commissioners:

The current cable television franchise with Comcast was set to expire on March 16, 2015. Through a series of extensions, that franchise was extended to April 29, 2015, unless an earlier Agreement is reached.

On February 27, 2015 Comcast delivered a Michigan Uniform Video Service Local Franchise Agreement pursuant to Public Act 480 of 2006, MCL §484.3301.

We have had several meetings with representatives of Comcast to discuss voluntary agreements which are provided for pursuant to Section 13 of the Act, which reads as follows:

> "Sec. 13. This act does not prohibit a local unit of government and a video service provider from entering into a voluntary franchise agreement that includes terms and conditions different than those required under this act, including, but not limited to, a reduction in the franchise fee in return for the video service provider making available to the franchising entity services, equipment, capabilities, or other valuable consideration. This section does not apply unless for each provider servicing the franchise entity it is technically feasible and commercially practicable to comply with similar terms and conditions in the franchise agreement and it is offered to the other provider."

The major concern is Comcast's insistence that the public education and government fee (PEG) be reduced from 3% to 2% in accordance with Section 6(8)(b):

> "(b) At the expiration of the existing franchise agreement, the amount required under subdivision (a) not to exceed 2% of gross revenues."

The concern is that a one-third (1/3) reduction in PEG fees would substantially impact the programming currently provided for through the Birmingham Area Cable Board and Bloomfield Community Television.

Comcast has proposed that we enter into a Uniform Video Service Local Franchise Agreement with a 5% franchise fee and a 2% PEG fee. In addition, they would execute a side agreement which would provide for PEG funding supplemental fees in addition to the 2% as follows:

"Comcast agrees to provide the following PEG funding supplemental fees to the 2% provided in the Uniform Franchise over the next three years:

4/27/15 – 4/26/16 = an additional .75% PEG fee
4/27/16 – 4/26/17 = an additional .50% PEG fee
4/27/17 – 4/26/18 = an additional .25% PEG fee
4/27/18 – 4/26/25 = no additional .00% PEG fee"

In addition, Comcast would provide reimbursement of legal fees associated with the consents to transfer for the four (4) Birmingham Area Cable Board communities for an aggregate total of $10,000 which would be paid to the Cable Board.

In return, the City would agree that it would discontinue use of the Comcast constructed INET, (which has not be been used for some time).

The City would not request any courtesy cable accounts for the City (which they were not willing to provide). Currently, they provide drops to the Fire Department at the Adams Station, and all schools in the Birmingham Area Cable Board's jurisdiction. All other drops such as the two golf courses are paid for by the City.

Finally, the City would agree not to demand a conversion in programming to an HD format. It would be the understanding that if the technology evolved and the market place demands it, it could be provided. The Comcast Franchise Agreement would be for a period of 10 years and the side agreement will run to April 26, 2025.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

BEIER HOWLETT, P.C.

Timothy J. Currier

TJC/jc

RECOMMENDED RESOLUTION

To approve the Michigan Uniform Video Service Local Franchise Agreement with Comcast effective April 27, 2015, and to approve the April 22, 2015 letter agreement. The Mayor and Clerk are hereby authorized to sign the same on behalf of the City.

COMCAST

April 22, 2105

The Honorable Stuart Sherman
Mayor, City of Birmingham
151 Martin Street
P.O. Box 3001
Birmingham, MI 48012

Dear Mr. Sherman:

This document will memorialize an agreement reached between Comcast and the City of Birmingham.

Recognizing the value Birmingham places upon PEG programming provided for the residents of the City, and recognizing the burden which would be placed on the City's budget by an immediate reduction of the PEG fee from the 3% required by the expiring legacy franchise to the state-mandated maximum of 2% in the renewal franchise, and recognizing that the City has constructed its own fiber optic cable network and no longer needs the Comcast-provided institutional network (I-Net), Comcast and the City of Birmingham agree from April 27, 2015 to April 26, 2025, or unless there is an earlier substantive change in the law, to the following:

1. The City will sign the Uniform Video Services Local Franchise Agreement document delivered by Comcast on February 27, 2015 as submitted, with 2% PEG fee and no other changes.
2. Comcast agrees to provide the following PEG funding supplemental fees to the 2% provided in the Uniform Franchise over the next three years:
   4/27/15- 4/26/16= an additional .75% PEG fee
   4/27/16- 4/26/17= an additional .50% PEG fee
   4/27/17- 4/26/18 = an additional .25% PEG fee
   4/27/18- 4/26/25 = no additional .00% PEG fee
3. City agrees that the City will discontinue free use of the Comcast-constructed I-NET upon approval of the agreement. Any future use of Company network facilities will be on a paid basis.
4. City agrees to make no demand of additional courtesy cable accounts for City facilities.
5. City agrees to make no demand for conversion of PEG programming to HD format, with the understanding that any such future conversion will occur with the natural evolution of the marketplace and technology.
6. It is mutually agreed that the terms contained in this letter will not be incorporated into the Uniform Video Services Local Franchise Agreement.

Once this agreement is completed and executed by both parties, Comcast agrees to reimburse legal fees associated with the consents to transfer secured from the four Birmingham Area Cable Board member LFAs in the amount of $10,000.

Agreed to this day, April 27, 2015

For Comcast

For the City of Birmingham

Timothy Collins
Senior Vice President, Heartland Region

Stuart Sherman
Mayor

Cc: Timothy Currier
Leslie Brogan

INSTRUCTIONS FOR
UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

Pursuant to 2006 Public Act 480, MCL 484.3301 *et seq*, any Video Service Provider seeking to provide video service in one or more service areas in the state of Michigan after January 30, 2007, shall file an application for a Uniform Video Service Local Franchise Agreement with the Local Unit of Government ("Franchising Entity") that the Provider wishes to service. Pursuant to Section 2(2) of 2006 PA 480, "Except as otherwise provided by this Act, a person shall not provide video services in any local unit of government without first obtaining a uniform video service local franchise as provided under Section 3." Procedures applicable to incumbent video service providers are set forth below.

As of the effective date (January 1, 2007) of the Act, no existing franchise agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the agreement. The incumbent video Provider, at its option, may continue to provide video services to the Franchising Entity by electing to do one of the following:

1. Terminate the existing franchise agreement before the expiration date of the agreement and enter into a new franchise under a uniform video service local franchise agreement.

2. Continue under the existing franchise agreement amended to include only those provisions required under a uniform video service local franchise.

3. Continue to operate under the terms of an expired franchise until a uniform video service local franchise agreement takes effect. An incumbent video Provider with an expired franchise on the effective date has 120 days after the effective date of the Act to file for a uniform video service local franchise agreement.

On the effective date (January 1, 2007) of the Act, any provisions of an existing Franchise that are inconsistent with or in addition to the provisions of a uniform video service local Franchise Agreement are unreasonable and unenforceable by the Franchising Entity.

If, at a subsequent date, the Provider would like to provide video service to an additional Local Unit of Government, the Provider must file an additional application with that Local Unit of Government.

The forms shall meet the following requirements:

- The Provider must complete both the "Uniform Video Service Local Franchise Agreement" and "Attachment 1 - Uniform Video Service Local Franchise Agreement" forms if they are seeking a new/renewed Franchise Agreement, and send the forms by mail (certified, registered, first-class, return receipt requested, or by a nationally recognized overnight delivery service) to the appropriate Franchising Entity. Until otherwise officially notified by the Franchising Entity, the forms shall be sent to the Clerk or any official with the responsibilities or functions of the Clerk in the Franchising Entity. **"Attachment 2 - Uniform Video Service Local Franchise Agreement" is not required to be filed at this time *unless* it is being used regarding amendments, terminations, or transfers pertaining to an existing Uniform Video Service Local Franchise Agreement. (Refer to Sections X to XII of the Agreement, as well as Section 3(4-6) of the Act.)**

- Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and MUST BE KEPT CONFIDENTIAL.

    1. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

        "[insert PROVIDER'S NAME]
        [CONFIDENTIAL INFORMATION]"

2. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.

3. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

- Responses to all questions must be provided and must be amended appropriately when changes occur.
- All responses must be printed out, typed, signed/dated (where appropriate), and mailed (certified, registered, first class, return receipt requested, or by a national recognized overnight delivery service) to the appropriate party.
- The Agreement and Attachments are templates. Tab through the documents and fill in as appropriate, use the appropriate "dropdown box" (City/Village/Township) when indicated.
- For sections that need explanation, if the Provider runs out of space, the Provider should then submit the application with typed attachments that are clearly identified.
- The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by this Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the franchise agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."
- A Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the Franchise Agreement approved. The Provider shall notify both the Franchising Entity and the Michigan Public Service Commission of such an approved and completed Agreement by completing **Attachment 3 - Uniform Video Service Local Franchise Agreement**.
- For changes to an existing Uniform Video Service Local Franchise Agreement (amendments, transfers, or terminations), the Provider must complete the "**Attachment 2 - Uniform Video Service Local Franchising Entity**" form, and send the form to the appropriate Franchising Entity.
- For information that is to be submitted to the Michigan Public Service Commission, please use the following address:

Michigan Public Service Commission
Attn: Video Franchising
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Fax: (517) 241-6217

Questions should be directed to the Telecommunications Division, Michigan Public Service Commission at (517) 241-6200.

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

THIS UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT ("Agreement") is made, pursuant to 2006 PA 480, MCL 484.3301 *et seq*, (the "Act") by and between the City of Birmingham, a Michigan municipal corporation (the "Franchising Entity"), and Comcast of Colorado/Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC, a Colorado limited liability company doing business as Comcast.

I. Definitions

For purposes of this Agreement, the following terms shall have the following meanings as defined in the Act:

- **A.** "Cable Operator" means that terms as defined in 47 USC 522(5).
- **B.** "Cable Service" means that terms as defined in 47 USC 522(6).
- **C.** "Cable System" means that term as defined in 47 USC 522(7).
- **D.** "Commission" means the Michigan Public Service Commission.
- **E.** "Franchising Entity" means the local unit of government in which a provider offers video services through a franchise.
- **F.** "FCC" means the Federal Communications Commission.
- **G.** "Gross Revenue" means that term as described in Section 6(4) of the Act and in Section VI(D) of the Agreement.
- **H.** "Household" means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.
- **I.** "Incumbent video provider" means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider's existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.
- **J.** "IPTV" means internet protocol television.
- **K.** "Local unit of government" means a city, village, or township.
- **L.** "Low-income household" means a household with an average annual household income of less than $35,000.00 as determined by the most recent decennial census.
- **M.** "METRO Act" means the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48, MCL 484.3101 *et seq*.
- **N.** "Open video system" or "OVS" means that term as defined in 47 USC 573.
- **O.** "Person" means an individual, corporation, association, partnership, governmental entity, or any other legal entity.
- **P.** "Public rights-of-way" means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.
- **Q.** "Term" means the period of time provided for in Section V of this Agreement.
- **R.** "Uniform video service local franchise agreement" or "franchise agreement" means the franchise agreement required under the Act to be the operating agreement between each franchising entity and video provider in this state.
- **S.** "Video programming" means that term as defined in 47 USC 522(20).
- **T.** "Video service" means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.
- **U.** "Video service provider" or "Provider" means a person authorized under the Act to provide video service.
- **V.** "Video service provider fee" means the amount paid by a video service provider or incumbent video provider under Section 6 of the Act and Section VI of this Agreement.

II. Requirements of the Provider

A. An unfranchised Provider will not provide video services in any local unit of government without first obtaining a uniform video service local franchise agreement as provided under **Section 3 of the Act** (except as otherwise provided by the Act).
B. The Provider shall file in a timely manner with the Federal Communications Commission all forms required by that agency in advance of offering video service in Michigan.
C. The Provider agrees to comply with all valid and enforceable federal and state statutes and regulations.
D. The Provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the Franchising Entity.
E. The Provider shall comply with all Federal Communications Commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.
F. The Provider shall comply with the public, education, and government programming requirements of Section 4 of the Act.
G. The Provider shall comply with all customer service rules of the Federal Communications Commission under 47 CFR 76.309 (c) applicable to cable operators and applicable provisions of the Michigan Consumer Protection Act, 1976 PA 331, MCL 445.901 to 445.922.
    i. Including but not limited to: MCL 445.902; MCL 445.903 (1)(a) through 445.903(1)(cc); MCL 445.903(1)(ff) through (jj); MCL 445.903(2); MCL 445.905; MCL 445.906; MCL 445.907; MCL 445.908; MCL 445.910; MCL 445.911; MCL 445.914; MCL 445.915; MCL 445.916; MCL 445.918.
H. The Provider agrees to comply with in-home wiring and consumer premises wiring rules of the Federal Communications Commission applicable to cable operators.
I. The Provider shall comply with the Consumer Privacy Requirements of 47 USC 551 applicable to cable operators.
J. If the Provider is an incumbent video provider, it shall comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the Franchising Entity entered before the effective date of the Act.
K. The Provider agrees that before offering video services within the boundaries of a local unit of government, the video Provider shall enter into a Franchise Agreement with the local unit of government as required by the Act.
L. The Provider understands that as the effective date of the Act, no existing Franchise Agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the Agreement.
M. The Provider provides an exact description of the video service area footprint to be served, pursuant to **Section 2(3)(e) of the Act**. If the Provider is not an incumbent video Provider, the date on which the Provider expects to provide video services in the area identified under **Section 2(3)(e) of the Act** must be noted. The Provider will provide this information in Attachment 1 - Uniform Video Service Local Franchise Agreement.
N. The Provider is required to pay the Provider fees pursuant to **Section 6 of the Act**.

III. Provider Providing Access

A. The Provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.
B. It is a defense to an alleged violation of Paragraph A if the Provider has met either of the following conditions:
    i. Within 3 years of the date it began providing video service under the Act and the Agreement; at least 25% of households with access to the Provider's video service are low-income households.
    ii. Within 5 years of the date it began providing video service under the Act and Agreement and from that point forward, at least 30% of the households with access to the Provider's video service are low-income households.
C. **[If the Provider is using telecommunication facilities]** to provide video services and has more than 1,000,000 telecommunication access lines in Michigan, the Provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication

service area in Michigan within 3 years of the date it began providing video service under the Act and Agreement and to a number not less than 50% of these households within 6 years. **The video service Provider is not required to meet the 50% requirement in this paragraph until 2 years after at least 30% of the households with access to the Provider's video service subscribe to the service for 6 consecutive months.**

D. The Provider may apply to the Franchising Entity, and in the case of paragraph C, the Commission, for a waiver of or for an extension of time to meet the requirements of this section if 1 or more of the following apply:
   i. The inability to obtain access to public and private rights-of-way under reasonable terms and conditions.
   ii. Developments or buildings not being subject to competition because of existing exclusive service arrangements.
   iii. Developments or buildings being inaccessible using reasonable technical solutions under commercial reasonable terms and conditions.
   iv. Natural disasters
   v. Factors beyond the control of the Provider

E. The Franchising Entity or Commission may grant the waiver or extension only if the Provider has made substantial and continuous effort to meet the requirements of this section. If an extension is granted, the Franchising Entity or Commission shall establish a new compliance deadline. If a waiver is granted, the Franchising Entity or Commission shall specify the requirement or requirements waived.

F. The Provider shall file an annual report with the Franchising Entity and the Commission regarding the progress that has been made toward compliance with paragraphs B and C.

G. Except for satellite service, the provider may satisfy the requirements of this paragraph and Section 9 of the Act through the use of alternative technology that offers service, functionality, and content, which is demonstrably similar to that provided through the provider's video service system and may include a technology that does not require the use of any public right-of-way. The technology utilized to comply with the requirements of this section shall include local public, education, and government channels and messages over the emergency alert system as required under Paragraph II(E) of this Agreement.

IV. Responsibility of the Franchising Entity

A. The Franchising Entity hereby grants authority to the Provider to provide Video Service in the Video Service area footprint, as described in this Agreement and Attachments, as well as the Act.

B. The Franchising Entity hereby grants authority to the Provider to use and occupy the Public Rights-of-way in the delivery of Video Service, subject to the laws of the state of Michigan and the police powers of the Franchising Entity.

C. The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by the Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the Franchise Agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."

D. The Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under **Section 3(3) of the Act**, the Franchise Agreement shall be considered complete and the Franchise Agreement approved.
   i. If time has expired for the Franchising Entity to notify the Provider, The Provider shall send (via mail: certified or registered, or by fax) notice to the Franchising Entity and the Commission, using Attachment 3 of this Agreement.

E. The Franchising Entity shall allow a Provider to install, construct, and maintain a video service or communications network within a public right-of-way and shall provide the provider with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way.

F. The Franchising Entity may not discriminate against a video service provider to provide video service for any of the following:
   i. The authorization or placement of a video service or communications network in public right-of-way.
   ii. Access to a building owned by a governmental entity.
   iii. A municipal utility pole attachment.

G. The Franchising Entity may impose on a Provider a permit fee only to the extent it imposes such a fee on incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the Franchising Entity for issuing the relevant permit. A fee under this section shall not be levied if the Provider already has

paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under this section or is otherwise authorized by law or contract to place the facilities used by the Provider in the public right-of-way or for general revenue purposes.

H. The Franchising Entity shall not require the provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under the Act and this Agreement. For purposes of this Agreement, a franchise requirement includes but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.

I. Notwithstanding any other provision of the Act, the Provider shall not be required to comply with, and the Franchising Entity may not impose or enforce, any mandatory build-out or deployment provisions, schedules, or requirements except as required by **Section 9 of the Act**.

J. The Franchising Entity is subject to the penalties provided for under Section 14 of the Act.

V. Term

A. This Franchise Agreement shall be for a period of 10 years from the date it is issued. The date it is issued shall be calculated either by **(a)** the date the Franchising Entity approved the Agreement, provided it did so within 30 days after the submission of a complete franchise agreement, or **(b)** the date the Agreement is deemed approved pursuant to **Section 3(3) of the Act**, if the Franchising Entity either fails to notify the Provider regarding the completeness of the Agreement or approve the Agreement within the time periods required under that subsection.

B. Before the expiration of the initial Franchise Agreement or any subsequent renewals, the Provider may apply for an additional 10-year renewal under **Section 3(7) of the Act.**

VI. Fees

A. A video service Provider shall calculate and pay an annual video service provider fee to the Franchising Entity. The fee shall be 1 of the following:
   i. If there is an existing Franchise Agreement, an amount equal to the percentage of gross revenue paid to the Franchising Entity by the incumbent video Provider with the largest number of subscribers in the Franchising Entity.
   ii. At the expiration of an existing Franchise Agreement or if there is no existing Franchise Agreement, an amount equal to the percentage of gross revenue as established by the Franchising Entity of __5__% (percentage amount to be inserted by Franchising Entity which shall not exceed 5%) and shall be applicable to all providers

B. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

C. The Franchising Entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under the Act.

D. For purposes of this Section, "gross revenues" means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity.
   1. **Gross revenues shall include all of the following:**
      i. All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.
      ii. Any franchise fee imposed on the Provider that is passed on to subscribers.
      iii. Compensation received by the Provider for promotion or exhibition of any products or services over the video service.
      iv. Revenue received by the Provider as compensation for carriage of video programming on that Provider's video service.
      v. All revenue derived from compensation arrangements for advertising to the local franchise area.
      vi. Any advertising commissions paid to an affiliated third party for video service advertising.

   2. **Gross revenues do not include any of the following:**
      i. Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.
      ii. Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (D)(i) and to the extent the refund, rebate, credit, or discount is attributable to the video service.

iii. Any revenues received by the Provider or its affiliates from the provision of services or capabilities other than video service, including telecommunications services, information services, and services, capabilities, and applications that may be sold as part of a package or bundle, or functionality integrated, with video service.
iv. Any revenues received by the Provider or its affiliates for the provision of directory or internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing.
v. Any amounts attributable to the provision of video service to customers at no charge, including the provision of such service to public institutions without charge.
vi. Any tax, fee, or assessment of general applicability imposed on the customer or the transaction by a federal, state, or local government or any other governmental entity, collected by the Provider, and required to be remitted to the taxing entity, including sales and use taxes.
vii. Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barters, services, or other items of value shall be included in gross revenue.
viii. Sales of capital assets or surplus equipment.
ix. Reimbursement by programmers of marketing costs actually incurred by the Provider for the introduction of new programming.
x. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.

E. In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video Provider's revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the Provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.
F. Revenue of an affiliate shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate has the effect of evading the payment of franchise fees which would otherwise be paid for video service.
G. The Provider is entitled to a credit applied toward the fees due under **Section 6(1) of the Act** for all funds allocated to the Franchising Entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under **Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act (METRO Act)**, 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the Franchising Entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the Provider in the public rights-of-way of the Franchising Entity by the lesser of 5 cents or the amount assessed under the **METRO Act**. The Provider is not eligible for a credit under this section unless the provider has taken all property tax credits allowed under the **METRO Act**.
H. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.
I. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.
J. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under **Section 6(1) of the Act**, applied against the amount of the subscriber's monthly bill.
K. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

VII. Public, Education, and Government (PEG) Channels

A. The video service Provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the **effective date of the Act** or as provided under **Section 4(14) of the Act**.
B. Any public, education, or government channel provided under this section that is not utilized by the Franchising Entity for at least 8 hours per day for 3 consecutive months may no longer be made available to the Franchising Entity and may be programmed at the Provider's discretion. At such a time as the Franchising Entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the Provider shall restore the previously reallocated channel.
C. The Franchising Entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service Provider is provided in a manner or form that is capable of being accepted and retransmitted by a Provider, without requirement for additional alteration or change in the content by the Provider, over the

particular network of the Provider, which is compatible with the technology or protocol utilized by the Provider to deliver services.

D. The person producing the broadcast is solely responsible for all content provided over designated public, education, or government channels. The video service Provider *shall not* exercise any editorial control over any programming on any channel designed for public, education, or government use.

E. The video service Provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.

F. If a Franchising Entity seeks to utilize capacity pursuant to **Section 4(1) of the Act** or an agreement under **Section 13 of the Act** to provide access to video programming over one or more PEG channels, the Franchising Entity shall give the Provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under **Section 13 of the Act**. The video service Provider shall have 90 days to begin providing access as requested by the Franchising Entity. The number and designation of PEG access channels shall be set forth in an addendum to this agreement effective 90 days after the request is submitted by the Franchising Entity.

G. A PEG channel shall only be used for noncommercial purposes.

VIII. PEG Fees

A. The video service Provider shall also pay to the Franchising Entity as support for the cost of PEG access facilities and services an annual fee equal to one of the following options:

1. If there is an existing Franchise on the effective date of the Act, the fee (_3%_) paid to the Franchising Entity by the incumbent video Provider with the largest number of cable service subscribers in the Franchising Entity as determined by the existing Franchise Agreement;
2. At the expiration of the existing Franchise Agreement, the amount required under (1) above, which is 2 % of gross revenues. (The amount under (1) above is not to exceed 2% of gross revenues);
3. If there is no existing Franchise Agreement, a percentage of gross revenues as established by the Franchising Entity and to be determined by a community need assessment, is ___2_% of gross revenues. (The percentage that is established by the Franchising Entity is not to exceed 2% of gross revenues.); and
4. An amount agreed to by the Franchising Entity and the video service Provider.

B. The fee required by this section shall be applicable to all providers, pursuant to Section 6(9) of the Act.

C. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

D. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.

E. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.

F. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under **Section 6(8) of the Act**, applied against the amount of the subscriber's monthly bill.

G. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

IX. Audits

A. No more than every 24 months, a Franchising Entity may perform reasonable audits of the video service Provider's calculation of the fees paid under **Section 6 of the Act** to the Franchising Entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the Provider at the location where the records are kept in the ordinary course of business. The Franchising Entity and the video service Provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the Franchising Entity shall be paid by the Provider within 30 days of the Franchising Entity's submission of invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the Provider shall pay the Franchising Entity's reasonable costs of the audit.

B. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the provider shall be made within 3 years from the date the compensation is remitted.

X. Termination and Modification

This Franchise Agreement issued by a Franchising Entity may be terminated or the video service area footprint may be modified, except as provided under **Section 9 of the Act**, by the Provider by submitting notice to the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XI. Transferability

This Franchise Agreement issued by a Franchising Entity or an existing franchise of an incumbent video service Provider is fully transferable to any successor in interest to the Provider to which it is initially granted. A notice of transfer shall be filed with the Franchising Entity within 15 days of the completion of the transfer. The Provider will use Attachment 2, when notifying the Franchising Entity. The successor in interest will assume the rights and responsibilities of the original provider and will also be required to complete their portion of the Transfer Agreement located within Attachment 2.

XII. Change of Information

If any of the information contained in the Franchise Agreement changes, the Provider shall timely notify the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XIII. Confidentiality

Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and MUST BE KEPT CONFIDENTIAL.

A. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

"[insert PROVIDER'S NAME]
[CONFIDENTIAL INFORMATION]"

B. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.

C. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

XIV. Complaints/Customer Service

A. The Provider shall establish a dispute resolution process for its customers. Provider shall maintain a local or toll-free telephone number for customer service contact.

B. The Provider shall be subjected to the penalties, as described under **Section 14 of the Act**, and the Franchising Entity and Provider may be subjected to the dispute process as described in **Section 10 of the Act**.

C. Each Provider shall annually notify its customers of the dispute resolution process required under **Section 10 of the Act**. Each Provider shall include the dispute resolution process on its website.

D. Before a customer may file a complaint with the Commission under **Section 10(5) of the Act**, the customer shall first attempt to resolve the dispute through the dispute resolution process established by the Provider in **Section 10(2) of the Act**.

E. A complaint between a customer and a Provider shall be handled by the Commission pursuant to the process as described in **Section 10(5) of the Act**.

F. A complaint between a Provider and a franchising entity or between two or more Providers shall be handled by the Commission pursuant to the process described in **Section 10(6) of the Act**.

G. In connection with providing video services to the subscribers, a provider shall not do any act prohibited by Section 10(1)(a-f) of the Act. The Commission may enforce compliance to the extent that the activities are not covered by **Section 2(3)(l) in the Act**.

XV. Notices

Any notices to be given under this Franchise Agreement shall be in writing and delivered to a Party personally, by facsimile or by certified, registered, or first-class mail, with postage prepaid and return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

If to the Franchising Entity:
(must provide street address)

City of Birmingham:

_____

_____

_____

Attn: _____

Fax No.: _____

If to the Provider:
(must provide street address)

1.
41112 Concept Dr.
Plymouth, MI 48170
Attn: VP of Government Affairs
Fax No.: 248-233-4719

2.
600 Galleria Pkwy
Atlanta, GA 30339
Attn: Sen. Vice President, Government Relations

3.
One Comcast Center
Philadelphia, PA 19103
Attn: Government Affairs Department

Or such other addresses or facsimile numbers as the Parties may designate by written notice from time to time.

XVI. Miscellaneous

A. Governing Law. This Franchise Agreement shall be governed by, and construed in accordance with, applicable Federal laws and laws of the State of Michigan.
B. The parties to this Franchise Agreement are subject to all valid and enforceable provisions of the Act.
C. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute on and the same agreement.
D. Power to Enter. Each Party hereby warrants to the other Party that it has the requisite power and authority to enter into this Franchise Agreement and to perform according to the terms hereof.
E. The Provider and Franchising Entity are subject to the provisions of 2006 Public Act 480.

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Franchise Agreement.

City of Birmingham, a Michigan Municipal Corporation

By

Print Name

Title

Address

City, State, Zip

Phone

Fax

Email

Comcast of Colorado/Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC, a Colorado Limited Liability Company doing business as Comcast

By

Timothy P. Collins

Print Name

Regional Senior Vice President

Title

41112 Concept Drive

Address

Plymouth, MI 48170

City, State, Zip

248-233-6736

Phone

248-233-4719

Fax

Tim_Collins@cable.comcast.com

Email

FRANCHISE AGREEMENT *(Franchising Entity to Complete)*

Date submitted:
Date completed and approved:

ATTACHMENT 1

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT
(Pursuant To 2006 Public Act 480)
(Form must be typed)

Date: February 20, 2015		
Applicant's Name: Comcast of Colorado/Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC		
Address 1: 41112 Concept Dr.		
Address 2		Phone: 248-233-4700
City: Plymouth	State: MI	Zip: 48170
Federal I.D. No. (FEIN): 31-1063218		

Company executive officers:

Name(s): Timothy P. Collins
Title(s): Regional Senior Vice President

Person(s) authorized to represent the company before the Franchising Entity and the Commission:

Name: Frederick G. Eaton		
Title: Senior Manager, External Affairs		
Address: 41112 Concept Dr., Plymouth, MI 48170		
Phone: 734-254-1888	Fax: 734-254-1877	Email: Fred_Eaton@cable.comcast.com

Name: Leslie A. Brogan		
Title: Senior Director, Government Affairs		
Address: 1401 E. Miller Rd., Lansing, MI 48911		
Phone: 517-334-5890	Fax: 517-334-1880	Email: Leslie_Brogan@cable.comcast.com

Describe the video service area footprint as set forth in Section 2(3e) of the Act. (An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.)

As an incumbent provider, Comcast, is satisfying this requirement by allowing a franchising entity to seek right-of-way related information comparable to that required by a permit under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120, as set forth in its last cable franchise entered before the effective date of this act.

[**Option A**: for Providers that Options B and C are not applicable, a description based on a geographic information system digital boundary meeting or exceeding national map accuracy standards]

[**Option B:** for Providers with 1,000,000 or more access lines in Michigan using telecommunication facilities to provide Video Service, a description based on entire wire centers or exchanges located in the Franchising Entity]

[**Option C**: for an Incumbent Video Service Provider, it satisfies this requirement by allowing the Franchising Entity to seek right-of-way information comparable to that required by a permit under the METRO Act as set forth in its last cable franchise or consent agreement from the Franchising Entity entered into before the effective date of the Act]

Pursuant to Section 2(3)(d) of the Act, if the Provider is not an incumbent video Provider, provide the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) (the Video Service Area Footprint).

Date:

For All Applications:

Verification
(Provider)

I, Timothy P. Collins, of lawful age, and being first duly sworn, now states: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

Name and Title (printed): Timothy P. Collins, Regional Senior Vice President	
Signature:	*Date:* February 27, 2015

(Franchising Entity)

City of Birmingham, a Michigan municipal corporation

By

Print Name

Title

Address

City, State, Zip

Phone

Fax

Email

Date