SEATTLE CITY COUNCIL

Legislative Summary

CB 118411

Record No.: CB 118411 **Type:** Ordinance (Ord) **Status:** Passed

Version: 3 124810 **In Control:** City Clerk

File Created: 06/01/2015

Final Action: 07/17/2015

Title: AN ORDINANCE related to cable television; authorizing the Mayor or his designee to enter into a new Cable Television Franchise Agreement and an agreement regarding additional public benefits with Qwest Broadband Services, Inc. d/b/a CenturyLink; authorizing the Chief Technology Officer to enter into other agreements for the purpose of implementing or administering the new franchise; increasing appropriations in the 2015 budget of the Department of Information Technology for costs incurred in processing the franchise application; and transferring cash received for processing the franchise application; all by a 3/4 vote of the City Council.

Notes:

	Date
Filed with City Clerk:	7/17/2015
Mayor's Signature:	7/17/2015
Vetoed by Mayor:	
Veto Overridden:	
Veto Sustained:	

Sponsors: Harrell

Attachments: Att A: Cable Television Franchise Agreement v2, Att B: Letter of Agreement v2

Drafter: megan.coppersmith@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File **Legal Notice Published:** ☐ Yes ☐ No

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	06/02/2015	Mayor's leg transmitted to Council	City Clerk			
	Action Text:	The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk					
	Notes:						
1	City Clerk	06/02/2015	sent for review	Council President's Office			
	Action Text:	The Council Bill (CB) was sent for review. to the Council President's Office					
	Notes:						

1	Council President's Office	06/03/2015	sent for review	Public Safety, Civil Rights, and Technology Committee	

Action Text: The Council Bill (CB) was sent for review. to the Public Safety, Civil Rights, and Technology Committee

Notes:

2	Full Council	06/08/2015	referred	Public Safety, Civil Rights, and Technology Committee	
2	Public Safety, Civil Rights, and Technology Committee	06/17/2015			

Notes: **This item was a discussion only item and will be brought back to the July 1, 2015, PSCRT Committee meeting.**

2	Public Safety, Civil Rights, and Technology Committee	07/01/2015	pass as amended	07/13/2015	Pass

Action Text: The Committee recommends that Full Council pass as amended the Council Bill (CB).

Notes: Bring to Full Council on Monday, 07/13/2015.

In Favor: 2 Chair Harrell, Licata

Opposed: 0

3	Full Council	07/13/2015	passed		Pass

Action Text: The Council Bill (CB) was passed by the following vote and the President signed the Bill:

In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Councilmember Okamoto, Councilmember Rasmussen, Councilmember Sawant

Opposed: 0

3	City Clerk	07/14/2015	submitted for Mayor's signature	Mayor	

Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor

Notes:

3	Mayor	07/17/2015	Signed		

Action Text: The Council Bill (CB) was Signed.

Notes:

3	Mayor	07/17/2015	returned	City Clerk	

Action Text: The Council Bill (CB) was returned. to the City Clerk

Notes:

3	City Clerk	07/17/2015	attested by City Clerk		

Action Text: The Ordinance (Ord) was attested by City Clerk.

Notes:

STATE OF WASHINGTON -- KING COUNTY

--ss.

324873 No.

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:PUBLIC HEARING NOTICE

was published on

06/05/15

The amount of the fee charged for the foregoing publication is the sum of $93.00 which amount has been paid in full.

JENNIFER A. BORRERO NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 10-24-15

Subscribed and sworn to before me on

06/05/2015

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

Notice of Seattle City Council

Public Hearing

The Seattle City Council's Public Safety, Civil Rights, and Technology Committee will conduct two public hearings on a proposed ordinance (Council Bill No. 118411), regarding The City of Seattle entering into a new Cable Television Franchise Agreement with Qwest Broadband Services, Inc. d/b/a Century Link. The area of the proposed franchise agreement is throughout the entire jurisdictional boundaries of the City of Seattle. The purpose of the hearings are to accept public comment from the community and interested individuals on issues related to the proposed ordinance.

The first public hearing will be held on Wednesday, June 17, at 2 p.m., and the second will be held on Wednesday, July 1, at 2 p.m. Both public hearings will be held in the City Council Chamber, 2nd floor, Seattle City Hall, 600 4th Avenue, Seattle, WA 98104. The entrances to City Hall are located on 4th and 5th Avenues between James and Cherry Streets. If you wish to provide public comment, you may sign up outside the Council Chamber beginning at 1:30 p.m.

For accessibility information and for accommodation requests, please call 206-684-8888 (TTY Relay 7-1-1), email CouncilAgenda@Seattle.gov, or visit http://seattle.gov/cityclerk/accommodations.

The public hearings will be cablecast live on Seattle Channel 21 and streamed online at http://www.seattlechannel.org. Following the public hearing you may view it online at http://www.seattlechannel.org/CityCouncil as soon as it is posted.

For questions regarding the proposed agreement (Council Bill No. 118411), contact the Office of Cable Communications at (206) 684-8498 or visit http://www.seattle.gov/cable. For a copy of the proposed ordinance (Council Bill No. 118411) visit https://seattle.legistar.com/Legislation.aspx or call 206-684-8344.

Questions regarding the public hearing process should be directed to Councilmember Bruce Harrell's office by calling (206) 684-8804 or via e-mail at bruce.harrell@seattle.gov.

Written comments on the proposed ordinance will be accepted until 5:00 p.m., on June 30, and can be sent to Councilmember Bruce Harrell, PO Box 34025, Seattle, WA 98124-4025, or by emailing all Councilmembers at council@seattle.gov.

Publication ordered by Monica Martinez Simmons, City Clerk

Date of publication in the Seattle Daily Journal of Commerce, June 5, 2015.

6/5(3248 73)

CITY OF SEATTLE

ORDINANCE 124810

COUNCIL BILL 118411

AN ORDINANCE related to cable television; authorizing the Mayor or his designee to enter into a new Cable Television Franchise Agreement and an agreement regarding additional public benefits with Qwest Broadband Services, Inc. d/b/a CenturyLink; authorizing the Chief Technology Officer to enter into other agreements for the purpose of implementing or administering the new franchise; increasing appropriations in the 2015 budget of the Department of Information Technology for costs incurred in processing the franchise application; and transferring cash received for processing the franchise application; all by a 3/4 vote of the City Council.

WHEREAS, The City of Seattle desires to promote competition in the delivery of cable services available to its residents; and

WHEREAS, Qwest Broadband Services, Inc. d/b/a CenturyLink, a Delaware corporation (QBSI), seeks to provide competitive cable services to the residents of Seattle; and

WHEREAS, on April 28, 2015, QBSI submitted an application and $20,000 processing fee required by Seattle Municipal Code 21.60.080 to the City seeking a cable franchise to provide cable services in the City (Application); and

WHEREAS, QBSI is a wholly owned subsidiary of CenturyLink, Inc. (CenturyLink), a Louisiana corporation; and

WHEREAS, the Application contemplates that the facilities that comprise the cable system will be constructed, owned, and maintained by Qwest Corporation (QC), a wholly owned subsidiary of CenturyLink and an affiliate of QBSI; and

WHEREAS, QBSI will utilize QC's facilities to provide cable services in the City; and

WHEREAS, the Office of Cable Communications determined that QBSI's Application was complete and contained the information required for a new cable franchise under Seattle Municipal Code Section 21.60.080; and

WHEREAS, the Office of Cable Communications has performed a legal, technical, and financial review of QBSI's qualifications to provide cable services in the City; and

WHEREAS, the Office of Cable Communications finds QBSI to be qualified to provide cable services in the City; and

WHEREAS, the City and QBSI have negotiated in good faith to develop a proposed franchise with terms that will meet the needs and interests of the community and the competitive equity requirements of existing cable franchise agreements; and

WHEREAS, pursuant to Article IV, Section 10 of the City's Charter, at least 30 days has passed since introduction of this legislation; and

WHEREAS, pursuant to Article IV, Section 10 of the City's Charter, this ordinance has been published in the official newspaper of the City for ten consecutive press days; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Mayor, or the Mayor's designee, is authorized to enter into a cable television franchise agreement with Qwest Broadband Services, Inc. d/b/a CenturyLink, a Delaware corporation (QBSI) in substantially the form attached to this ordinance as Attachment A ("Cable Television Franchise Agreement"), so long as the Cable Television Franchise Agreement is signed by QBSI no later than the effective date of this ordinance.

Section 2. The Mayor, or the Mayor's designee, is authorized to enter into an agreement with QBSI regarding additional public benefits in substantially the form attached to this

ordinance as Attachment B ("Letter of Agreement"), so long as the Letter of Agreement is signed by QBSI no later than the effective date of this ordinance.

Section 3. The Chief Technology Officer (CTO) is authorized to enter into other agreements with QBSI, Qwest Corporation (QC), and CenturyLink for the purpose of implementing or administering the Cable Television Franchise Agreement.

Section 4. In order to pay for necessary costs and expenses incurred or to be incurred in 2015 associated with the processing of the QBSI franchise application, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2015 budget, the appropriations for the following items in the 2015 budget are increased from the funds shown, as follows:

Item	Fund	Department	Budget Control Level	Amount
4.1	Information Technology Fund (50410)	Department of Information Technology (DoIT)	Office of Electronic Communications (50410-D4400)	$20,000
4.2	Cable Television Franchise Subfund (00160)	Cable Television Franchise Subfund	Cable Fee Support to Information Technology Fund (D160B)	$20,000

Section 5. To support the appropriation for item 4.1, cash is transferred as shown in the following table:

Item	Fund	Amount	Transferred (In/Out)
5.1	Information Technology Fund (50410)	$20,000	Transferred In
	Cable Television Franchise Subfund (00160)	($20,000)	Transferred Out

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the 13th day of July, 2015, and signed by me in open session in authentication of its passage this 13th day of July, 2015.

President _____ of the City Council

Approved by me this 17th day of July, 2015.

Edward B. Murray, Mayor

Filed by me this 17th day of July, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

ATTACHMENTS: Attachment A: City of Seattle Cable Television Franchise Agreement

Attachment B: Letter of Agreement

CITY OF SEATTLE
CABLE TELEVISION FRANCHISE AGREEMENT

BY AND BETWEEN
THE CITY OF SEATTLE

AND

QWEST BROADBAND SERVICES, INC. D/B/A CENTURYLINK

SECTION 1. NATURE AND TERM OF GRANT 1
1.1 Grant of Franchise 1
1.2 Duration of Franchise. 1
1.3 Effective Date. 1
1.4 Competitive Equity. 1
1.5 Relationship to Other Laws. 2

SECTION 2. CITY'S PRINCIPLES AND INTENT 3

SECTION 3. DEFINITIONS 4

SECTION 4. FRANCHISE AREA 9
4.1 Franchise Area. 9
4.2 Service to low-income households. 9
4.3 Prohibition on race discrimination. 10

SECTION 5. PROGRAMMING 10
5.1 Grantee Compliance. 10
5.2 Maintenance of Existing Conditions. 10
5.3 Expanded Programming and Channel Capacity 10
5.4 Ascertainment Process. 11
5.5 Deletion or Reduction of Programming Categories. 12
5.6 Obscenity 12
5.7 Parental Control Device. 12
5.8 Leased Access Channels. 13

SECTION 6. PUBLIC, EDUCATIONAL AND GOVERNMENT ACCESS 13
6.1 Designated Access Managers. 13
6.2 PEG Channel Capacity. 13
6.3 Access Channel Assignments 14
6.4 PEG Funding. 15
6.5 Access Programming 15
6.6 Access Interconnections. 15
6.7 Changes in Technology. 16
6.8 Technical Quality. 16
6.9 Complimentary Service. 18
6.10 Access Channel Viewership Information. 18
6.11 PEG Information for Subscribers. 19
6.12 Cost Treatment of PEG Costs. 19

SECTION 7. GENERAL CABLE SYSTEM REQUIREMENTS 19
7.1 Baseline Cable System Characteristics and Functionality. 19
7.2 Cable System Rebuild or Upgrade 21

SECTION 8. TECHNICAL OPERATION AND MAINTENANCE STANDARDS AND REQUIREMENTS 22
8.1 Technical and Safety Standards. 22
8.2 Network Monitoring and Repair. 22
8.3 Component and Cable System Tests, Records and Test Points. 22
8.4 Routine Maintenance and Performance Testing. 22
8.5 Spare Parts. 23
8.6 Testing Notification. 23
8.7 NESC Records. 23

SECTION 9. SUBSCRIBER RELATIONS AND SERVICE STANDARDS COMPLAINT PROCEDURE. 23
9.1 Office Hours and Telephone Availability. 23
9.2 Installations, and Subscriber Service Calls. 25
9.3 Service Centers. 26
9.4 Outages and Other Service Interruptions. 26
9.5 TV Reception. 27
9.6 Communications Between Grantee and Information to Subscribers. 27
9.7 Billing, credits, refunds, and deposits. 29
9.8 Subscriber Rights. 30

SECTION 10. COMPENSATION AND AUDITING 33
10.1 Amount of Compensation. 33
10.2 Effect of Additional Commitments on Franchise Fees. 33
10.3 Payment of Franchise Fees on Bundled Services. 33
10.4 Payments and Monthly Reports. 34
10.5 Interest on Late Payments. 34
10.6 Acceptance of Payment and Recomputation. 34
10.7 Audits. 35
10.8 Compensation for Non-Cable Services. 35
10.9 No Offset or Credit Against Franchise Fees. 35

SECTION 11. INDEMNIFICATION, INSURANCE, BONDS AND SECURITY FUND. 35
11.1 Indemnification. 35
11.2 Insurance. 36
11.3 Construction Bond. 38
11.4 Performance Bond. 38
11.5 Security Fund Per SMC 21.60.850. 39
11.6 Security Fund or Letter of Credit for Grantee's failure to perform. 39

SECTION 12. GENERAL USE OF AND CONSTRUCTION IN RIGHT OF WAY 41
12.1 Relationship with Other Laws. 41
12.2 Construction. 41
12.3 Construction Plan and Practices Submittals and Approvals. 42
12.4 Compliance with Construction and Safety Standards. 42
12.5 Construction and Work Permits, Licenses and Permission. 42

12.6 Construction Area Safety and Cleanup. 43
12.7 Relocation. 43
12.8 Restoration of City's Rights of Way. 43
12.9 Maintenance and Quality of Work. 43
12.10 Acquisition of Facilities. 44
12.11 Reservation of City Right of Way Rights. 44
12.12 Reservation of Rights and Privileges. 44
12.13 Street Vacation. 44
12.14 Discontinuing Use of Facilities. 44
12.15 Hazardous Substances. 45
12.16 Undergrounding of Cable. 45
12.17 Construction Codes. 46
12.18 Construction and Use of Poles. 46

SECTION 13. TRANSFER OR ASSIGNMENT 46

SECTION 14. PROCEDURES IN THE EVENT OF EXPIRATION, TERMINATION, REVOCATION, OR NON-RENEWAL 48
14.1 Continuity of service. 48
14.2 City's right to purchase. 49
14.3 City's right to remove. 49

SECTION 15. REGULATION OF RATES AND CHARGES 50
15.1 City Regulation. 50
15.2 Filing of Rates and Charges. 49
15.3 Changes in Rates and Charges. 50
15.4 Reasonable Needs-Based Discounts Provided. 50
15.5 Multiple Dwelling Unit Buildings. 50
15.6 Downgrade Charges. 50
15.7 Reserved City Authority 51

SECTION 16. RECORDS AND REPORTS 51
16.1 Open Records. 51
16.2 Annual Reports. 52
16.3 Public Hearing. 54
16.4 Reports of Regulatory Violations. 54

SECTION 17. EQUAL EMPLOYMENT 54
17.1 Non-Discrimination in Employment and Benefits. 54
17.2 Women and Minority Business Enterprises ("WMBE") 55

SECTION 18. REMEDIES FOR NON-COMPLIANCE 55
18.1 Termination. 55
18.2 Liquidated Damages. 56
18.3 Relationship of Remedies. 57
18.4 Non-Waiver. 58

18.5 Cost Treatment of Fines, Liquidated Damages, Damages. 58

SECTION 19. MISCELLANEOUS PROVISIONS 58
19.1 Compliance with Laws. 58
19.2 Arbitration. 59
19.3 Severability 60
19.4 No Recourse Against City. 61
19.5 Action by Agencies or Courts. 60
19.6 Other Cable Franchises. 61
19.7 Choice of Forum 61
19.8 Force Majeure. 61
19.9 Notice. 62

SECTION 1. NATURE AND TERM OF GRANT

1.1 Grant of Franchise.

(A) The City of Seattle hereby grants to Qwest Broadband Services, Inc., d/b/a CenturyLink, a Delaware corporation, a Franchise to install, construct, operate and maintain a Cable System to provide Cable Services under such terms and conditions as are set forth in this Franchise.

(B) Throughout this Franchise, the City of Seattle, Washington shall be referred to as the "City," and Qwest Broadband Services, Inc., d/b/a CenturyLink shall be referred to as the "Grantee."

(C) Grantee shall be liable for the obligations of the Grantee under the Franchise and other applicable law governing Grantee's operations in the City and for compliance with the terms and conditions set forth herein.

(D) Grantee promises and guarantees, as a condition of exercising the privileges granted by this Franchise, that any Affiliated Entity of the Grantee directly involved in the offering of Cable Service in the Franchise Area, or directly involved in the ownership, management or operation of the Cable System in the Franchise Area, will also comply with the obligations of this Franchise. However, the parties acknowledge that Qwest Corporation ("QC"), an affiliate of Grantee, will be primarily responsible for the construction and installation of the Facilities in the Rights-of-Way that will be utilized by Grantee to provide Cable Services. So long as QC does not provide Cable Service to Subscribers in the City, QC will not be subject to the terms and conditions contained in this Franchise. QC's construction, installation and maintenance of facilities in the Rights-of-Way is governed by applicable law. Grantee is responsible for all provisions in this Franchise related to: 1) its offering of Cable Services in the Franchise Area; and 2) the operation of the Cable System regardless of what entity owns or constructs the Facilities used to provide the Cable Service.

1.2 Duration of Franchise.

The term of this Franchise, and all rights, privileges, obligations, and restrictions pertaining thereto, shall be ten (10) years from the Effective Date of this Franchise, unless terminated earlier as provided herein.

1.3 Effective Date.

The Effective Date of this Franchise is the date that the legislation approving this Franchise becomes effective.

1.4 Competitive Equity.

(A) This Franchise is not exclusive. The Grantee acknowledges and agrees that the City reserves the right to grant one (1) or more additional franchises or other similar lawful

authorization to provide Cable Services within the City; provided, however, that no such franchise or similar lawful authorization shall contain material terms or conditions which are substantially more favorable or less burdensome to the competitive entity than the material terms and conditions herein. The parties agree that this provision shall not require a word for word identical franchise or authorization for a competitive entity so long as the regulatory and financial burdens on each entity are generally equivalent taking into account any difference in the number of Subscribers served, the number of PEG Channels and aggregate support provided, the level of fees and taxes imposed, the term of the Franchise, and all other circumstances affecting the relative burdens.

(B) Should any non-wireless facilities based entity provide Cable Service within the Franchise Area during the term of this Franchise without a franchise granted by the City, then Grantee shall have all rights which may be available to assert, at Grantee's option, that this Franchise is rendered "commercially impracticable," and invoke the modification procedures set forth in Section 625 of the Cable Act.

1.5 Relationship to Other Laws.

(A) Grantee's Franchise is subject to all lawful terms, conditions, and provisions of: 1) this Franchise; 2) the Seattle Municipal Code Chapter 21.60 ("SMC 21.60," or "Cable Code") as the same is now or hereafter amended by lawful exercise of the City's police powers pursuant to subsection 1.5(B) herein; and 3) the Communications Act of 1934, as amended by the Cable Consumer Protection Act of 1984, the Cable Communications Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, as the same is now or hereafter amended.

(B) Grantee's rights hereunder are subject to the lawful exercise of the City's police power. Nothing in this Franchise shall preclude or prohibit the City from enacting any ordinance in the interest of public health, safety and welfare, which may impact the Grantee in its operation of the Cable System, as a proper exercise of the City's police power. Grantee acknowledges that the City may modify its regulatory policies by lawful exercise of the City's police powers throughout the term of this Franchise. Grantee reserves all rights it may have to challenge such lawful modifications whether arising in contract or at law. The City reserves all of its rights and defenses to such challenges whether arising in contract or at law.

(C) It is the intent of both parties that each party shall enjoy all rights and be subject to all obligations of this Franchise for the entire term of the Franchise and, to the extent any provisions have continuing effect, after its expiration. However, both parties recognize that the technology of cable television and related technologies are in a state of flux and that regulatory conditions and franchise rights and powers may change drastically during the term of this Franchise. Should such changes occur, the City and Grantee shall negotiate in good faith to amend the Franchise to preserve the rights and obligations of the City and Grantee hereunder to the fullest extent consistent with such changes. The parties agree that the perpetuation of the

substantial equivalent of the current statutory and regulatory structure governing cable television is not a condition of this Franchise, or a fundamental assumption that either party is making in entering into it; provided, however, nothing herein shall prevent either the City or the Grantee from asserting that any part or parts of the Franchise are preempted by state or federal law as a result of such changes.

SECTION 2. CITY'S PRINCIPLES AND INTENT

The following provisions are statements of the City's intent in entering into this Franchise, but do not necessarily reflect Grantee's intent and shall not supplant or modify specific provisions of the Franchise:

(A) Ensure that Seattle stays at the forefront of technology by keeping the Cable System up to date with features meeting the current and future cable-related needs and interests of the community;

(B) Encourage the widest feasible scope and diversity of Programming and other services to all City residents consistent with community needs and interests;

(C) Encourage competitive, affordable, and equal access to advanced communications services of all kinds to residents of the City of Seattle on a non-discriminatory basis;

(D) Ensure that Seattle residents have the opportunity to view public, educational, and governmental Programming;

(E) Ensure that rates and charges for cable Programming, equipment, and services provided over the Cable System are affordable and consistent with federal standards;

(F) Ensure that Seattle residents receive high quality customer service;

(G) Ensure that the City receives appropriate compensation for the use of its facilities and property and that installation and maintenance of cable Facilities comply with all applicable City regulations, and do not interfere with the City's legitimate use of its own facilities and property;

(H) Encourage competition among Cable Operators and between Cable Operators and other providers of communications services;

(I) Protect the City's interests and the health, safety, and welfare of its residents; and

(J) Provide for timely mandatory Government Access to all Cable Systems in times of civil emergency.

SECTION 3. DEFINITIONS

For the purpose of this Franchise, the following terms, phrases, and their derivations shall have the meanings given below unless the context clearly mandates a different interpretation. Where the context so indicates, the present tense shall imply the future tense, words in plural include the singular, and words in the singular include the plural. The word "shall" is always mandatory and not merely directory. The definitions are applicable regardless of whether the term is capitalized.

3.1 "Access" means the right of certain agencies, institutions, organizations, groups and individuals in the community, including the City and its designees, on a non-discriminatory basis, to use the Cable System for specific non-commercial purposes, including the right to acquire Programming, to create Programming free from outside control including that of the Grantee, and to distribute and receive Programming over the Cable System.

3.2 "Access Channel" or "PEG Channel" means any Channel or portion of a Channel on a Cable System required by the Franchise to be set aside by the Grantee for public, educational, or governmental use.

3.3 "Affiliated Entity" means any enterprise that owns or controls the Grantee, or is owned or controlled by the Grantee, or otherwise has ownership or control in common with the Grantee, including, without limitation, Grantee's Parent Corporations and any subsidiaries or affiliates of such Parent Corporations that meet this definition.

3.4 "Basic Service" or "Basic Service Tier" means the lowest priced tier of Cable Service offered by Grantee and includes, at a minimum, all signals of domestic television broadcast stations provided to any Subscriber (except a signal secondarily transmitted by satellite carrier beyond the local service area of such station, regardless of how such signal is ultimately received by the Cable System), any public, educational, and governmental Programming required by the Franchise to be carried on the Basic Service Tier, and any additional Video Programming signals or service added to the Basic Service Tier by the Grantee.

3.5 "Cable Operator" means any Person or group of Persons (A) who provides Cable Services over a Cable System and directly or through one or more affiliates owns a significant interest in such Cable System, or (B) who otherwise controls or, through any arrangement, is responsible for the management and operation of such a Cable System.

3.6 "Cable Services" means (a) the one-way transmission to Subscribers of (i) Video Programming or (ii) other Programming service (i.e. information that the Grantee makes available to all Subscribers generally), and (b) Subscriber interaction, if any, that is required for the selection or use of such Video Programming or other Programming service.

3.7 "Cable System" means a cable system as defined in Title VI of the Federal Communications Act of 1934, 47 U.S.C. § 522(7), as amended, and any implementing regulations.
Unless otherwise specified, references in this Franchise to the Cable System refer to the Cable System utilized by Grantee to provide Cable Services in the Franchise Area.

3.8 "Channel" means a portion of the electromagnetic frequency that is used in a Cable System and that is capable of delivering a television channel as defined by the FCC.

3.9 "City" means The City of Seattle, a municipal corporation of the State of Washington.

3.10 "City Council" means the legislative body of the City of Seattle.

3.11 "Customer Service Representative" or "CSR" means any person employed or contracted by Grantee to assist, or provide service to, Subscribers, whether by answering public telephone lines, responding to email, writing service or installation orders, answering Subscribers' questions, receiving and processing payments, or performing other customer service related tasks.

3.12 "Demarcation Point" means the physical point at which the Cable System enters a Subscriber's home or building.

3.13 "Designated Access Managers" means the entity or entities designated by the City under subsection 6.1.

3.14 "Document" or "Records" means written or graphic materials, however produced or reproduced, or any other tangible permanent documents, including those maintained by computer or other electronic or digital means, maintained by the Grantee in the ordinary course of conducting its business, including, but not limited to, financial documents that may be required for audit purposes.

3.15 "Dominant Cable Operator" means a Cable Operator that occupies the most influential market position in the City as a result of having significantly higher Subscriber levels than other Cable Operators.

3.16 "Downgrade Charges" or "Change Order Charges" means charges that Grantee may impose for implementing a request for a change or reduction of Cable Services to less than current services or Tiers.

3.17 "Downstream Channel" means a Channel capable of carrying a transmission from a Headend to other points on a Cable System, including Interconnection points.

3.18 "Dwelling Unit" means any building, or portion thereof, that has independent living facilities, including provisions for cooking, sanitation and sleeping, designed for residential occupancy and includes "household" as that term is used in the Federal Cable Act, 47 U.S.C. § 521, et seq. Fraternity, sorority houses, and building with more than one set of facilities for cooking, unless the additional facilities are clearly accessory, are Multiple Dwelling Unit buildings.

3.19 "Educational Access" means Access for Schools and other educational institutions and entities.

3.20 "Effective Date" means the Effective Date of this Franchise pursuant to subsection 1.3.

3.21 "Facility" means any distribution component of a Cable System.

3.22 "FCC" means the Federal Communications Commission.

3.23 "Fiber Optic" refers to a transmission medium of optical fiber cable and the electronics, software and equipment that support delivery of Cable Services by means of the optical fiber cable.

3.24 "Franchise" means this Franchise Agreement.

3.25 "Franchise Area" means the area within the City as specified in subsection 4.1 hereof within which the Grantee is authorized to provide Cable Services under this Franchise, and any modification thereof.

3.26 "Franchise Fee" means consideration paid by Grantee for the privilege to construct and/or operate a Cable System in the Franchise Area as set forth in Section 4, in accordance with Section 622 of the Cable Act.

3.27 "Government Access" means Access for governmental entities or their designees.

3.28 "Grantee" means Qwest Broadband Services, Inc., d/b/a CenturyLink, its lawful successors, transferees and assignees.

3.29 "Gross Revenues" means, for purposes of Franchise Fee calculations, all revenue received by the Grantee, in whatever form and from all sources, derived from the operation of the Cable System to provide Cable Services, including any revenue received by the Grantee from any use of any component of the Cable System for any purpose by the Cable Operator or by others. Gross Revenues shall include, without limitation, revenue received from: 1) Cables Services; 2) converter and equipment rentals; 3) advertising; 4) installations; 5) sales occurring as a result of home shopping or similar Programming; 6) Leased Access Channels; 7) sales of Programming guides; 8) Franchise Fees; and 9) fees, payments or other consideration paid by Programmers and commissions on advertising accounted for in accordance with generally accepted accounting principles (GAAP). Gross Revenues shall not include revenues received from telecommunications services or revenues received by third parties unless such revenues are of a type normally received by the Grantee prior to the date of this Franchise or would normally be received by a Cable Operator similarly situated in the ordinary course of business as compensation for use of the Cable System.

Gross Revenues shall be determined without deduction for (1) any operating expense; (2) any accrual; or (3) any other expenditure, regardless of whether such expense, accrual or expenditure reflects a cash payment, and revenue shall be counted only once in determining Gross Revenues.

Gross Revenues shall not include funds that the Grantee is legally obligated to collect as sales or similar taxes imposed directly on Subscribers. Gross Revenues shall not include amounts that cannot be collected by Grantee and are identified as bad debt; provided that if amounts previously representing bad debt are collected, then those amounts shall be included in Gross Revenues for the period in which they are collected.

This definition shall be construed so as to include all Gross Revenues to the maximum extent permitted by federal and state law, except to the extent specifically excluded in this Section, and encompasses revenues that may develop in the future, whether or not anticipated. If a statutory change in state or federal law or a decision of the FCC or a court of competent jurisdiction expands the categories of revenue available to the City for the Franchise Fee assessment beyond those permitted under this definition as of the Effective Date, that change shall automatically be included in the definition of Gross Revenues under this Franchise, provided that the City imposes the same requirement upon any other similarly situated multichannel video provider over which the City has jurisdiction and authority to impose such fees.

3.30 "Headend" means a facility for signal reception and/or dissemination on the Cable System, including all related equipment, such as cable, antennas and wires, satellite dishes, monitors, switchers, modulators, computers, software, processors for television broadcast signals, equipment for the Interconnection of the Cable System with adjacent cable systems and for Interconnection of any separate networks which are part of the Cable System.

3.31 "Initial" or "Initially" means as of the Effective Date of this Franchise.

3.32 "Interconnect," "Interconnected," or "Interconnection" means the provision of an electronic linkage between the Cable System and Cable Services or any part, designated Channel or signal pathway thereof and any other designated Cable System and Cable Services or any part, designated Channel or signed pathway thereof, with the result that Cable Services of high technical quality may be transmitted between such Cable Systems or Programmers.

3.33 "IVR" means interactive voice response, an automated telephony technology that interacts with Subscribers by way of a telephone keypad, speech recognition, or other means; gathers information from a Subscriber; provides appropriate responses; and routes calls to a CSR if the Subscriber indicates that preference.

3.34 "Leased Access Channel" means a Channel or portion of a Channel made available by Grantee for Programming by others for a fee.

3.35 "Liquidated Damages" means any requirement imposed on the Grantee to pay specified sums to the City as a result of performance deficiencies and/or Franchise violations identified herein.

3.36 "Non-Cable Services" means any service that is distributed over the Cable System, other than a Cable Service.

3.37 "Normal Business Hours" means the hours from 9:00 a.m. to 7:00 p.m., Monday through Friday, and 9:00 a.m. to 5:00 p.m., Saturday, excluding federal, state, or City holidays.

3.38 "Normal Operating Conditions" means service conditions within the control of the Grantee. Those conditions that are not within the control of the Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual-weather conditions. Those conditions that are ordinarily within the control of the Grantee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or Upgrade of the Cable System.

3.39 "Parent Corporation" means any existing or future corporation, entity, or Person with greater than fifty percent (50%) ownership or control over Grantee.

3.40 "PEG Access" means Public Access, Educational Access, and Government Access, jointly or severally.

3.41 "Person" means any sole proprietorship, partnership, association, corporation or other form of organization authorized to do business in the State of Washington, and any natural person.

3.42 "Programmer" means any Person who prepares, produces or provides Programming that is intended for transmission on a Cable System.

3.43 "Programming" means the video, audio, voice, data, multimedia or other material or programs prepared for or capable of transmission on a Cable System, or, as the context requires, the process of causing such material to be created, received, transmitted or distributed on a Cable System.

3.44 "Public Access" means Access for the public, including organizations, groups and individuals.

3.45 "QC" means Qwest Corporation, d/b/a/ CenturyLink, an Affiliated Entity of the Grantee.

3.46 "Qualified Living Unit" means a distinct address in the QC network inventory database, including but not limited to single family homes, Multiple-Dwelling Units, and business locations, that meets the minimum technical qualifications defined by Grantee for provision of Cable Service.

3.47 "Right of Way" means the surface of and the space alongside, above and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway, drive, utility easement and road right-of-way now or hereafter held or administered by the City.

3.48 "School" means any public educational institution accredited by the State of Washington, including primary and secondary Schools (K-12), and colleges and universities (excluding the dormitories, fraternity and sorority houses of such institutions).

3.49 "Service Interruption" means any loss of any element of Programming on any part of the Cable System.

3.50 "Subscriber" means any Person who is lawfully receiving, for any purpose or reason, any Cable Service whether or not a fee is paid. In the case of multiple office buildings or Multiple Dwelling Units, the "Subscriber" means the lessee, tenant, or occupant.

3.51 "Tier" means Programming Services offered by Grantee to Subscribers as a package.

3.52 "Upgrade" means an improvement in any technical aspect of a Cable System.

3.53 "Upstream Channel" means a Channel capable of carrying a transmission to a Headend from any other point on a Cable System including Interconnection points.

3.54 "Video Programming" means Programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION 4. FRANCHISE AREA

4.1 Franchise Area.

(A) As long as Grantee complies with this Franchise and SMC 21.60, including but not limited to SMC 21.60.170, Grantee shall be authorized to provide Cable Services throughout the entire jurisdictional boundaries of the City, including any areas annexed by the City during the term of this Franchise.

(B) The Franchise Area currently includes at least 35,000 Qualified Living Units in the City.

(C) Grantee shall maintain accurate maps and improvement plans of its Franchise Area that show the location, size, and a general description of all Cable System facilities installed in the rights-of-way and any power supply sources, including voltages and connections.

(D) Grantee shall provide a map to the City showing the location of the Cable System facilities in such detail, format, and scale as directed by the City and shall update the map and provide it to the City annually, whenever the facilities expand or are relocated, and within 30 days of a request by the City.

4.2 Service to low-income households.

(A) Pursuant to SMC 21.60.170.A.1.b, Grantee agrees that, within two years of the Effective Date, a significant portion of the Qualified Living Units to which Grantee then offers Cable Service will fall below the median income level as measured by census block group data.

(B) Beginning two years from the Effective Date, Grantee will meet with the City not less frequently than semiannually, and more if requested by the City, to demonstrate that it has met the low-income service provision requirement of SMC 21.60.170.A.1.b.

(C) If the City determines that this low-income requirement is not being met, it may impose other requirements, including but not limited to (1) imposing penalties; (2) requiring Grantee to expand the provision of Cable Service to other areas of the City, to ensure that the low-income service provision requirement will be met; and (3) mandating any other action intended to incent compliance with SMC 21.60.170.A.1.b.

(D) The City may also impose penalties for Grantee's failure to comply with such additional requirements within a specified time.

4.3 Prohibition on race discrimination.

Grantee shall not deny Cable Service to any group of Subscribers or potential residential Subscribers based upon race, nor shall Grantee base decisions about construction or maintenance of the Cable System or Facilities based upon race.

SECTION 5. PROGRAMMING

5.1 Grantee Compliance.

Grantee shall meet or exceed the Programming and Channel capacity requirements set forth in this Franchise.

5.2 Maintenance of Existing Conditions.

(A) Without the written consent of the City and except as otherwise specifically provided in this Franchise, Grantee shall not delete, or so limit as to effectively delete, any broad category of Programming identified in subsection 5.3 carried on the Cable System as of the Effective Date of this Franchise.

(B) In the event of a modification proceeding under federal law, the mix and quality of services provided by the Grantee on the Effective Date of this Franchise shall be deemed the mix and quality of services required under this Franchise throughout its term.

5.3 Expanded Programming and Channel Capacity.

Grantee shall provide:

(A) A minimum of 150 Downstream Channels.

(B) In addition to Programming provided on PEG Channels and local off-air broadcast Channels, if any, Grantee shall provide the following broad categories of Programming:

(1) Education

(2) News & information

(3) Sports

(4) Cultural and performing arts

(5) Government affairs

(6) Weather

(7) Foreign language

(8) Programming addressed to the City's diverse ethnic and minority interest

(9) Audio Programming (including a selection of local FM radio stations)

(10) Business news

(11) General entertainment (including but not limited to movies)

(12) Children's Programming

(13) Family Programming

(14) Science/documentary

(15) Canadian Programming

The requirements for each category of Programming may be satisfied by providing a separate Channel devoted substantially to the category or by Programming from more than one Channel which in the aggregate totals the equivalent of a Channel devoted substantially to the category.

5.4 Ascertainment Process.

(A) At the City's request, and not more frequently than once every three years from the Effective Date of this Franchise, Grantee shall conduct, at its sole cost, an ascertainment of the community's views regarding the nature and adequacy of Grantee's Cable Services, and of the cable related needs and interests of the community and the preferences of Subscribers within the Grantee's Franchise Area, conducted by an independent non-affiliated entity using generally accepted market research techniques. The ascertainment shall consist of a telephone survey of a

statistically valid sample of Grantee's Subscribers in the City. The survey questionnaire shall be jointly developed by the Grantee, the City and an independent research entity selected by Grantee. A written summary of the findings, prepared by the independent entity and including a description of the methodology used, and a description of any actions Grantee intends to take, shall be provided to the City.

Grantee agrees that the costs and expenses associated with conducting the ascertainment and Grantee's payment thereof are not within the meaning of the term "Franchise Fee" as defined by Section 622(g)(1) of the Cable Act (47 U.S.C. § 542(g)(1)) or any successor provision, and are within one (1) or more exclusions to the term "Franchise Fee" provided by Section 622(g)(2)(A)-(D) of the Cable Act (47 U.S.C. § 542(g)(2)(A)-(D)) or any successor provision, Grantee further agrees that such costs and expenses shall not be deemed to be: (i) "payments in kind" or involuntary payments chargeable against the compensation to be paid to the City or chargeable against the payments to any PEG entity by Grantee pursuant to Section 6 hereof, or (ii) part of the compensation to be paid to the City or the payments to any PEG entity by Grantee pursuant to Section 6 hereof.

(B) Following the ascertainment process, Grantee shall make a good faith determination of whether adjustments to its broad Programming categories or other Cable Services are reasonably necessary to accommodate the cable related community needs and interests in light of the cost of meeting those needs and interests, and, in the event such changes are determined in good faith by the Grantee to be necessary, shall implement them within a reasonable time. This provision shall not limit the City's rights pursuant to subsection 18.1.

5.5 Deletion or Reduction of Programming Categories.

Grantee shall not delete or so limit as to effectively delete any broad category of Programming within its control for any group of Subscribers without the City's consent, which shall not be unreasonably withheld, and shall provide at least thirty (30) days prior written notice to the City of Grantee's request to do so, including all proposed changes in bandwidth or Channel allocation, and any assignments including any new equipment requirements that may occur as a result of these changes.

5.6 Obscenity.

Grantee shall not transmit, or permit to be transmitted, over any Channel any Programming which is obscene in the sense that such Programming is not protected speech under the Constitution of the United States. The Grantee shall comply with all relevant provisions of federal law relating to obscenity. The City acknowledges that Grantee has no editorial control over Programming carried on PEG Channels.

5.7 Parental Control Device.

Upon request by any Subscriber, Grantee shall make available at Grantee's actual cost a parental control or lockout device compatible with the Subscriber's equipment that will enable the Subscriber to block access to any or all Channels. Grantee shall inform its Subscribers of the availability of the lockout device at the time of the original subscription and annually thereafter, and if requested by the Subscriber, shall provide the device at the time of the original installation.

5.8 Leased Access Channels.

Leased Access Channels shall be provided in accordance with federal law.

SECTION 6. PUBLIC, EDUCATIONAL AND GOVERNMENT ACCESS

6.1 Designated Access Managers.

(A) The City shall name Designated Access Managers for Public, Education, and Governmental Access Programming. Designated Access Managers shall have sole responsibility for operating and managing their respective Access Facilities.

(B) Grantee shall cooperate with Designated Access Managers and providers and facilitate their use of the Cable System and Programming of PEG Access Channels. Grantee shall enter into such operating agreements with Designated Access Managers as are appropriate to meet PEG Access requirements of this Franchise.

6.2 PEG Channel Capacity.

Grantee shall make available for the City's use Public, Educational, and Government ("PEG") Access Channels as specified in this Section.

(A) Grantee shall make available, at its sole cost, a total of twelve (12) PEG Channels, or the number made available by the dominant Cable Operator in the City, each to be allocated at the City's discretion. The City may duplicate Programming on such PEG Channels. For example, the City may simultaneously provide identical Programming in SD and HD formats.

(B) At all times during the term of this Franchise, Grantee shall make available no fewer than a total of twelve (12) PEG Channels in accordance with subsection 6.2A.

(C) PEG Channels provided pursuant to this Section shall not in any way relieve Grantee of its Programming category requirements within any of the categories set forth in Section 5.

(D) Unused PEG Channels. The City may from time to time adopt and revise rules and procedures as to when and how Grantee shall use the PEG Channels if the PEG Channels are not being used for their respective purposes. Grantee shall use the PEG

Channels solely in accordance with such rules and procedures and but for Grantee's use, Grantee shall have no responsibility, liability, or control with respect to the operation of such Channels. Any PEG Channels not programmed for PEG purposes on the Effective Date of the Franchise, shall be made available upon six (6) months prior written notice from the City and shall be allocated bandwidth comparable to commercial digital Video Programming Channels provided to Subscribers.

6.3 Access Channel Assignments.

Channel assignments for PEG Access Channels shall be determined in accordance with the following criteria:

(A) Access Channels shall be available across all of Grantee's service tiers on the Cable System except as otherwise agreed to by the City.

(B) The City acknowledges that Grantee may determine Channel placement at its sole discretion; however, Grantee shall work with the City, other Cable Operators, and Designated Access Managers to establish and coordinate City-Wide Access Channel assignments. Nothing in this Section shall limit Grantee, Designated Access Managers, or other Cable Operators from agreeing upon other Channel assignments.

(C) Grantee shall cooperate with the City, Designated Access Managers, and other Cable Operators to establish common, logically related additional Channel assignments in accordance with this Section.

(D) Grantee shall maintain a separate Channel assignment for each PEG Channel, and Grantee may make all PEG Channels available on a mosaic display, pending approval by the City which will not unreasonably be withheld. At the sole discretion of the City, the default Channel in a mosaic display will be Channel 21, or whatever Channel number is utilized by the City's Government Access Channel.

(E) If at any time during the duration of this Franchise, Grantee reassigns the location of an Access Channel on the Cable System, Grantee shall provide at least sixty (60) days advance notice to the City and the Designated Access Managers. The Access Channels, or the ability for Subscribers to access the content on the Access Channels, will be located within reasonable proximity (not more than 10 Channels away) from the Channel location for network affiliates of ABC, NBC, CBS, and Fox. Grantee shall ensure that Subscribers are notified of such reassignment in accordance with the notice requirements in subsection 9.6 that include its customer messaging function of its set-top unit for at least fifteen (15) days prior to the change and fifteen (15) days after the change. In conjunction with any reassignment of any Access Channels, Grantee shall provide either (1) a reimbursement up to Ten Thousand Dollars ($10,000) to a Designated Access Manager for actual costs associated with the change, or (2) Twenty Thousand Dollars ($20,000) of in-kind airtime on advertiser supported Channels for the purpose of airing multiple 30-second public service announcements produced by a Designated Access Manager. The City shall cooperate

with the Designated Access Manager and Grantee for such airing. All reimbursement, whether in cash or in-kind, shall be paid or provided on a per-event basis, regardless of the number of Channels affected by the change.

6.4 PEG Funding.

(A) Upon the Effective Date of this Franchise and continuing for as long as this Franchise remains in effect, Grantee shall collect and remit to the City $.12 per Subscriber per month in support of PEG Access ("PEG Fee"). The PEG Fee may be used by the City to support PEG Access in accordance with applicable federal law 47 U.S.C. § 542. Grantee acknowledges and voluntarily agrees that PEG fees can be used for any capital and operating support or any other PEG related purpose.

(B) Nothing in this Section shall prevent the Designated Access Manager for PEG Access or the City from engaging in general public fundraising activities to provide additional support for PEG Access or Grantee from voluntarily providing training grants or other financial support for PEG Access.

(C) The monthly per Subscriber PEG Fee may be unilaterally increased by the City upon ninety (90) days written notice to Grantee. The City may impose a higher PEG Fee so long as (i) such increase, or equivalent PEG contribution to the City, is imposed simultaneously on every Cable Operator providing Cable Service in the City; (ii) any increases do not exceed a monthly per Subscriber PEG Fee of $1.00 per month; (iii) the City does not impose any increase more than three (3) times during the term of this Franchise; (iv) the PEG Fee is not increased in consecutive years; and (v) any increase may be passed through to Subscribers in accordance with federal law. In no event shall Grantee's PEG Fee be higher than that of any other Cable Operator in the City.

6.5 Access Programming.

All Programming transmitted over PEG Access Channels shall be non-commercial in nature. Program material to be distributed on PEG Access Channels shall contain no advertising or commercial content for which consideration is received by the City or an Access Programmer. Grantee and City agree that City or an Access Programmer may include acknowledgments for Persons which sponsor or underwrite Access Programming in a manner substantially similar to the sponsorship information provided on the Public Broadcasting System.

6.6 Access Interconnections.

(A) Within one hundred eighty days of the Effective Date, Grantee shall make all of City's Access Channels available to all Subscribers.

(B) Grantee shall ensure that signal quality comparable to that available on the Subscriber network and routing systems are provided continuously for all Access Interconnections throughout the duration of this Franchise.

(C) If technically feasible and with prior permission from other affected jurisdictions, PEG Channels shall be Interconnected with contiguous franchises at the City's discretion and cost.

6.7 Changes in Technology.

In the event any change is made in the Cable System and related equipment and Facilities or in the signal delivery technology of Grantee's Cable Services that directly or indirectly materially degrades the signal quality or transmission of PEG Access Programming, Grantee shall at its sole expense and free of charge to the City take necessary steps or provide necessary technical assistance, including, but not limited to, the acquisition of all necessary equipment, to ensure that the capabilities of the Designated Access Managers, PEG Access Programmers, or Programming offerings (quality of Channel or video) are restored.

(A) Interactivity. In the event Grantee provides commercial interactive services on the Cable System and at such time as Subscribers subscribe to such interactive services, Grantee shall make available to the City equivalent interactive capabilities in accordance with this subsection 6.7(A). Any Subscriber equipment necessary to use interactive features on such Access Channels shall be made available to Subscribers on the same terms as for commercial uses. For purposes of this subsection, "interactive services" means two-way communication over the Cable System in which the Subscriber interacts with the program being viewed, but does not include merely ordering and receiving pay-per-view, video on demand, or other Cable Services.

(B) Grantee shall ensure that PEG Channels have adequate bandwidth capacity to transmit any commercially available future technologies utilized by Grantee within the Franchise Area including, but not limited to, ultrahigh definition television ("UHDTV"), successor formats and interactive Programming. Grantee shall bear any costs associated with Headend equipment necessary for the use of such technologies. The Designated Access Managers shall bear all costs necessary to deliver PEG Channel Programming utilizing all future technologies to Grantee.

6.8 Technical Quality.

Grantee shall maintain all PEG Channels at the same level of technical quality and reliability as the best commercial channels carried on the Cable System. Grantee shall provide routine maintenance and shall repair and replace all transmission equipment, including transmitters/receivers, associated cable and equipment in use upon the Effective Date of this Franchise, necessary to carry a quality signal to and from the Demarcation Point at City's or Designated Access Manager's facilities.

(A) PEG Channel Signal Quality. Grantee shall deliver to Subscribers PEG Channel Programming contemporaneously with its delivery to Grantee by Designated Access Managers, without change in its content or format such as standard digital or HDTV or successor formats, from that provided by Designated Access Managers. Unless otherwise approved by the City or a Designated Access Manager, Grantee will not alter any PEG signal to either improve or degrade the PEG signal or alter, fail to retransmit or remove any formatting or coding information or data associated with any such signal, such as information associated with stereo closed captioned or digital transmissions.

(B) Grantee shall continue to provide all current and future activated downstream Channels for PEG Access use in a standard digital (SD) or high definition or successor format in Grantee's Basic Service level as specified herein. Grantee shall carry all components of the SD or HD Access Channel signals provided by the Designated Access Managers including, but not limited to, closed captioning, stereo audio and other elements associated with the Programming. The Designated Access Manager shall be responsible for providing the Access Channel signal in a SD or HD or successor format (as specified herein) to the Demarcation Point at the designated point of origination for the Access Channel. Grantee shall be responsible for costs associated with the transport and distribution of the SD or HD Access Channel on its side of the Demarcation Point.

(C) Video on Demand (VOD). Grantee, at its sole cost, shall provide up to twenty-five (25) hours of VOD content, selected by the City and Designated Access Managers, per Access Channel for PEG Access over Grantee's VOD platform. The hardware and software utilized to provide VOD services shall be in all respects of the same or better technical quality as the hardware and software utilized by Grantee in the provision of any other video on demand services offered over the Cable System, and shall be upgraded at Grantee's cost, when new hardware or software is utilized on Grantee's Cable System for other video on demand services. Grantee shall provide reasonable technical assistance to allow for proper use and operation when encoding hardware or software is installed and/or upgraded at City's or Designated Access Managers' facilities. After installation or Upgrade, the Designated Access Manager must provide standard VOD packages (VOD asset, metadata ADI file, and poster art) that meet Grantee's requirements.

(D) Electronic TV Guide Listings. Grantee shall facilitate carriage of PEG Channels program listings on its interactive Programming guide, at no cost to the City or Designated Access Managers, provided that the City shall hold Grantee harmless should the City or PEG providers fail to provide correct or timely information to the interactive guide programmers.

(E) Grantee will ensure construction of Fiber Optic links to the PEG locations designated as of the Effective Date or mutually agreed upon between the City and Grantee for two-way origination and return capacity permitting transmission of originated

program material between the Headend and specified facilities located within the City.

6.9 Complimentary Service.

(A) Grantee shall install and furnish, at its sole cost, either the Prism Complete Tier as described in Exhibit E of Grantee's application, or, if the Prism Complete Tier is no longer available, then Cable Service at a Tier level comparable in terms of Programming, amount of Channels, and mix of Channels to that offered to such buildings by the Dominant Cable Operator, including any required terminal equipment ("Complimentary Cable Service"), to buildings in the Franchise Area owned and operated by the City for public purposes and not residential use (residential areas of fire and police stations excepted), as designated by the City, provided that such City buildings are designated as Qualified Living Units and no other Cable Operator is providing Cable Services at such location. If the City building is designated as a Qualified Living Unit and another Cable Operator is providing Cable Services at such location, and the City building requests that Grantee be its Cable Operator, Grantee shall install and furnish, at its sole cost, Complimentary Cable Service to said building once the other Cable Operator's service is disconnected.

(B) Grantee shall install and furnish, at its sole cost, Complimentary Cable Service (as defined in 6.9(A) above), to every School building in the Franchise Area, provided that such School buildings are designated as Qualified Living Units and no other Cable Operator is providing Cable Services at such location. If the School Building is designated as a Qualified Living Unit and another Cable Operator is providing Cable Services at such location, and the School requests that Grantee be its Cable Operator, Grantee shall install and furnish, at its sole cost, Complimentary Cable Service, including any required terminal equipment, to said School once the other Cable Operator's service is disconnected.

6.10 Access Channel Viewership Information.

(A) Survey Data. Grantee will share with the City any data it obtains in its normal course of business about PEG Channel viewership and demographics.

(B) Ratings. Grantee shall promptly provide copies of any ratings information it obtains on a regular basis in its normal course of business from a third party concerning viewership of PEG Channels to the City (for Cable Services provided on any Governmental or Educational Channel) and to the Designated Public Access Manager (for Cable Services provided on any Public Access Channel); provided, however, that with respect to any such ratings, Grantee shall redact any personally identifiable information prior to providing such information to the City or PEG providers as applicable. The preceding sentence shall not apply to any information Grantee receives from an ascertainment it has commissioned in connection, with the renewal

of the Franchise or to any information Grantee generates on its own in connection with such renewal.

6.11 PEG Information for Subscribers.

(A) Once every twelve (12) months from the Effective Date, with a minimum of sixty (60) days prior written notice from the City, Grantee shall make available at walk-in customer facilities, a newsletter or other similar publication provided by the City regarding Public, Educational and Government Access Programming and activities.

(B) Grantee shall include information about Public, Educational and Governmental Access Programming and activities in materials provided to Subscribers at the time of Cable Service installation.

(C) The Grantee shall include appropriate designation of the PEG Channels on Channel cards and other Channel listings provided to Subscribers.

6.12 Cost Treatment of PEG Costs.

Any and all payments and costs of services provided by Grantee to City in support of PEG Access Programming and other commitments shall not be deemed "Franchise Fees" within the meaning of Section 622 of the Cable Act (47 U.S.C. § 542). Any PEG Access support fees required by this Franchise are intended to conform to the provisions of Section 611 of the Cable Communications Policy Act of 1984, and further are intended to be payments of the type described in Section 622(g) (2) (B) and (C) of said Act, and not to be or to constitute Franchise Fees.

SECTION 7. GENERAL CABLE SYSTEM REQUIREMENTS

7.1 Baseline Cable System Characteristics and Functionality.

The Cable System shall, at all times during the Franchise term, meet or exceed the following requirements:

(A) Industry-accepted Equipment.

(1) The Cable System shall use equipment generally used in high-quality, reliable, modern systems of similar design, including, but not limited to, backup power supplies rated at a minimum of twelve (12) hours at the Headend and two (2) hours at each Fiber Optic node located throughout the Cable System.

(2) In addition, the Cable System's electronics shall be capable of passing through the signals received at the Headend without substantial alteration or deterioration.

(3) The Facilities and equipment on the Cable System must be able to deliver high quality signals that meet or exceed FCC technical quality standards, including but not limited to those set forth in 47 C.F.R. § 76.601, regardless of the particular manner in which the signal is transmitted.

(4) Grantee shall comply with all applicable laws and regulations concerning Cable System compatibility with Subscribers' television receivers and/or recording devices.

(B) Cable System Functionality. The Cable System shall have a bandwidth capable of providing the equivalent of a typical 750 MHz Cable System. Recognizing that the City has limited authority under federal law to designate the technical method by which Grantee provides Cable Service, as of the Effective Date of this Franchise, Grantee provides its Cable Service utilizing two different methods. First, using a PON platform, the Grantee provides Cable Service to some Qualified Living Units by connecting fiber directly to the household ("FTTP"). Second, the Grantee provides Cable Service to some Qualified Living Units by deploying fiber further into the neighborhoods and using the existing copper infrastructure to increase broadband speeds ("FTTN"). Generally speaking, when Grantee deploys FTTN, households located within 4,000 cable feet of a remote terminal shall receive broadband speeds capable of providing Cable Service. In both the FTTP and FTTN footprint, a household receiving a minimum of 25Mbps shall be capable of receiving Cable Service after Grantee performs certain network grooming and conditioning. Grantee shall determine in its discretion where to Upgrade its network to convert these households to Qualified Living Units.

(C) FCC Compliance. Grantee shall comply with all applicable FCC regulations regarding scrambling or other encryption of signals.

(D) No Deterioration to Access Signals. The Cable System shall be so constructed and operated that there is no significant deterioration in the quality of PEG Access Channels or leased access signals, either Upstream or Downstream, as compared with any other Channels on the Cable System; however, Grantee shall not be required to alter a PEG Access Channel or leased access signal if the Channel or signal received by Grantee is of poor quality. Deterioration refers to any signal problem, including, but not limited to, ghost images and other interference and distortions.

(E) Parental Control. Grantee shall ensure that means are available to enable Subscribers to completely block out audio and video on any undesired Channels on the Cable System.

(F) Program Security. The Cable System shall include equipment so that any pay-per-view Programming can only be activated by the positive action of a Subscriber using, for example, a private identification number or other individual selection procedure.

(G) Service to Persons with Disabilities. The Cable System shall transmit closed captions for all Programming that includes a closed caption signal. In addition, Grantee must

have means available, and a publicly listed telephone number for such means, that will allow hearing- or speech-impaired persons to contact the Grantee.

(H) Quality of Service. Grantee agrees to provide Cable Service at a level consistent with current FCC standards.

(I) Service Connections. Grantee shall provide Cable Services upon request from any person in the City who resides in a Qualified Living Unit within seven (7) business days. A request shall be deemed placed on the date of signing a service agreement, receipt of funds by Grantee, or receipt by Grantee of a verified verbal or written request. Rates and charges may not exceed the Grantee's published rates.

(J) Emergency Alert System. At all times during the term of this Franchise, Grantee shall provide and maintain an Emergency Alert System ("EAS"), consistent with applicable federal law and regulations including 47 C.F.R., Part 11, and any Washington State Emergency Alert System Plan requirements. The EAS shall allow authorized officials to override the audio and video signals on all Channels to transmit and report emergency information. In the case of any sudden, unforeseen event that has the potential to cause significant damage, destruction, or loss of life, Grantee shall make the EAS available without charge and in a manner consistent with the Washington State Emergency Alert System Plan ("Plan") for the duration of such sudden, unforeseen event. Grantee shall cooperate with designated state officials to test the emergency override system, for periods not to exceed one minute in duration and not more than once every six months, and upon request by the City, provide verification of compliance with Washington State's Plan. The City may identify authorized emergency officials for activating Grantee's EAS consistent with the State's Plan, and the City may also develop a local plan containing methods of EAS message distribution, subject to applicable laws.

7.2 Cable System Rebuild or Upgrade.

(A) Showing of Need for Upgrade. At the City's request, the Cable System shall be upgraded at any time after the fifth year of the term of this Franchise, upon a showing that at least thirty percent (30%) of the other Cable Systems owned or operated by the Grantee or its Affiliated Entities have upgraded their capacity to a material degree beyond the Cable System. Any Rebuild or Upgrade, if applicable, shall be performed in compliance with the requirements of Section 12 and any applicable law.

(B) Procedure. The City may conduct an inquiry to determine whether such a showing can be made. Grantee shall cooperate with the City in the investigation and provide information including, if reasonably available, estimated general cost figures, technical specifications, and equipment specifications that may assist such an undertaking. Grantee acknowledges and agrees that the City's investigation may include information not provided by Grantee, and that the City may commission third parties, as necessary, to ascertain facts in support of the showing. The public may also be invited to comment on the technical currency of the Cable System.

(C) Minimal Interruptions. Any Cable System Rebuild or Upgrade project shall be designed so as to minimize Cable Service Interruptions and inconvenience to Subscribers.

(D) Notice to Subscribers. Subscribers will be informed of the impending Upgrade or Rebuild project and the benefits of the new Cable System. Grantee will maintain a toll-free telephone number during construction, so that Subscribers may call with questions or complaints.

(E) Agreed-Upon Timeframe. Grantee will complete any Rebuild or Upgrade of the Cable System in the City within a period of time agreed to by Grantee and the City.

SECTION 8. TECHNICAL OPERATION AND MAINTENANCE STANDARDS AND REQUIREMENTS

8.1 Technical and Safety Standards.

Grantee will maintain the Cable System using applicable City codes and the following safety codes and construction standards:

(A) NEC – the National Electrical Code;

(B) NESC – the National Electrical Safety Code;

(C) OSHA – the Occupational Safety and Health Act; and

(D) WISHA – the Washington Industrial Safety and Health Act.

Nothing herein shall preclude Grantee from raising any and all defenses it may have under applicable codes.

8.2 Network Monitoring and Repair.

Grantee shall monitor all power supplies and fiber nodes, utilizing the latest in status monitoring techniques and will initiate repairs within a twenty-four (24) hour time period as required by applicable FCC rules and regulations.

8.3 Component and Cable System Tests, Records and Test Points.

Grantee will Initially test all active components before installation into the Cable System. Initial proof-of-performance will meet or exceed the minimum requirements set forth in FCC Rules and Regulations Part 76, subpart K, "Technical Standards."

8.4 Routine Maintenance and Performance Testing.

Grantee will maintain the Cable System by providing routine maintenance and performance testing to meet the requirements of FCC Rules and Regulations Part 76, including bi-annual proof of performance tests.

8.5 Spare Parts.

Grantee shall have immediately available a sufficient supply of spare parts to effect repairs in accordance with the requirements of this Franchise.

8.6 Testing Notification.

Grantee shall notify the City in advance of testing for compliance with applicable FCC signal standards. The City may have a representative present to observe such tests and may designate one location to be tested. Grantee shall provide the City with a report of testing for compliance with applicable FCC standards in accordance with Section 16 and upon request (but not more than twice a year). Such report shall state, in pertinent part, that the Cable System is in full compliance with FCC rules and regulations or, in the alternative, set forth with specificity and in detail all areas of non-compliance their actual or likely scope and causes, and a plan for instituting corrective measures to immediately and permanently correct the non-compliance.

8.7 NESC Records.

Grantee shall provide, consistent with subsection 16.1, any Records that may be required by the NESC rules which apply to the construction and maintenance of the Cable System in the City.

SECTION 9. SUBSCRIBER RELATIONS AND SERVICE STANDARDS COMPLAINT PROCEDURE.

9.1 Office Hours and Telephone Availability.

(A) The Grantee shall maintain a local or toll free telephone Subscriber service access line which will be available to its Subscribers twenty-four (24) hours a day, seven (7) days a week.

(B) Trained company representatives shall be available to respond to Subscriber telephone inquiries during Normal Business Hours. Grantee shall have dispatchers and technicians on call twenty-four (24) hours a day, seven (7) days a week, including legal holidays, for emergency purposes.

(C) After Normal Business Hours, the Subscriber service access line may be answered by an IVR. A qualified Grantee representative shall respond on the next business day to inquiries received after Normal Business Hours.

(D) Under Normal Operating Conditions, telephone answer time by an IVR or a CSR shall not exceed thirty (30) seconds. If the call is answered by an IVR, the IVR must

allow the option to speak with a CSR within no more than three (3) minutes. If a Subscriber has exercised the option to speak with a CSR, the Subscriber shall be able to speak with a CSR within thirty (30) seconds once the call is transferred during Normal Business Hours. This standard shall be met no less than eighty percent (80%) of the time under Normal Operating Conditions, as measured on a monthly basis.

(E) The total number of calls receiving busy signals shall not exceed three percent (3%) of the total telephone calls. This standard shall be met no less than ninety percent (90%) of the time, measured on a quarterly basis, under Normal Operating Conditions

(F) Grantee shall maintain, in a manner consistent with the privacy rights of Subscribers, an accurate and comprehensive file of: (1) any and all complaints regarding the Cable System or operation of the Cable System to provide Cable Service, by number and type and their disposition; (2) service requests, identifying the number and nature of the requests and their disposition; (3) Service Interruptions and their disposition; and (4) all telephone calls from Subscribers to Grantee, and their response times.

(G) Quarterly Reports.

(1) Beginning twelve (12) months after the Effective Date, Grantee shall report its compliance with this subsection 9.1 on a quarterly basis according to a reporting form established by the City.

(2) Grantee shall complete the form and send it to the City on a quarterly basis, within thirty (30) days of the end of the quarter.

(3) All data in the report shall reflect activity within an area that reasonably approximates the jurisdictional boundaries of King County, including the City.

(4) To measure the Grantee's compliance with standards related to customer telephone response times, the report shall include, at a minimum, the following information from the Grantee:

(a) the total number of calls offered to Grantee;

(b) the number of calls handled by the Grantee's IVR within 30 seconds;

(c) the total number of calls during which a customer requested, in any fashion, to speak with a CSR;

(d) the total number of calls transferred to a CSR;

(e) the total number of calls transferred to a CSR that were answered within 30 seconds; and

(To appear on CenturyLink letterhead)

May 26, 2015

Mr. Tony Perez
Director, Office of Cable Communications
700 5th Avenue, Suite 2700
Seattle, WA 98124-4709

Dear Mr. Perez:

The purpose of this Letter of Agreement is to set forth voluntary commitments by Qwest Broadband Services, Inc. d/b/a CenturyLink ("QBSI") to the City of Seattle, Washington ("City") that are in addition to the obligations contained in the Franchise Agreement, to be adopted by the City and executed by QBSI, to take effect on _____ __, 2015 (hereinafter the "Franchise"). The items set forth below have been negotiated in good faith and mutually agreed to by the parties. QBSI agrees that at no time shall it be permitted to in any way offset from franchise fee payments owed the City or pass through as a separate line item on Subscriber bills any costs associated with the voluntary commitments set forth within.

1. **Remote links**. Within 90 days of the Effective Date of the Franchise, QBSI and the City shall meet to determine two locations which are technically and economically feasible to QBSI, where QBSI shall install facilities capable of supporting Seattle Channel live broadcasts from additional venues within the City of Seattle.
2. **Advertising Support for Seattle Channel**. Within 60 days of QBSI having the technical capability in the market, QBSI shall provide to the City advertising avails valued at up to $7,500 annually to support and promote programming available on the Seattle Channel. This commitment shall continue through the term of the franchise. The Seattle Channel will be solely responsible for development and delivery of content, following QBSI's standard practice with respect to outside advertisement.
3. **Free public WI-FI spot-**. Within 180 days of the Effective Date of the Franchise, QBSI shall provide a WI-FI hot spot to the Jefferson Community Center or at an alternate location as determined by the City and QBSI. The WI-FI hot spot shall be capable of providing free internet access within the primary meeting areas of the community center and the current green space immediately adjacent to the large meeting area and the gymnasium. QBSI shall ensure that the free WI-FI service is maintained throughout the term of the Franchise.
4. **Low-income discounts.** So long as QBSI continues to offer its Internet Basics program to qualified low income residents on a national basis, it shall continue to offer that same program to residents of the City of Seattle. In certain areas that qualify for QBSI's 1 gigabit service, the speeds available to residents who qualify for Internet Basics may be up to 40Mbps. In addition, for the term of this Franchise, QBSI shall provide low income discounts to residents eligible for the State and Federal Lifeline/Link-up programs and to residents of Section 8 housing for its Prism services where available.

5. **Computing Center.** No later than twelve months after the Effective Date of the Franchise, QBSI will equip a location of the City's choice, by providing 1 gigabit service and equipment, including up to ten computers, a printer and if requested a large screen flat panel television. QBSI shall also provide complimentary Prism Complete Cable service to the location if requested so long as the center is a qualified living unit.
6. **Complimentary gigabit service to a City facility location.** When PEG services are made available to a City facility location of the City's choosing, QBSI shall provide a complimentary gigabit internet connection to the facility. The service level quality shall be as provided to commercial customers and the connection shall remain in place throughout the term of the franchise.

The parties understand that voluntary commitments listed above supplement other obligations contained in the Franchise such as:

- Complimentary Individual PEG program listings on the Electronic Program Guide (EPG) for all PEG channels (Section 6.8 (D))
- PEG Channels content on Video on Demand platform (Section 6.8 (C))
- PEG Channel move relocation assistance (Section 6.3 (E))
- PEG info in new subscriber packet and annual reminder (Section 6.11))
- Low-income needs-based Subscriber discounts as described in Section 15.4; and
- All PEG channels shall have signal quality comparable to commercial channels including HD and successor formats (Section 6.7 (B)).

In addition to the foregoing voluntary commitments and Franchise obligations, CenturyLink agrees to meet with the City annually over the term of the Franchise to explore provision of additional commitments and benefits for the City and its residents taking into account its number of subscribers. These meetings shall be done with the understanding that CenturyLink is a second entrant and has no market share as of the Effective Date of the Franchise, and to the extent applicable, is entitled to the protections set forth by the FCC, including from the FCC Report and Order, FCC 06-180, March 5, 2007.

Enforcement of the terms of this Letter of Agreement shall be consistent with the enforcement procedures set forth in the Franchise. CenturyLink stipulates that a violation of these terms by CenturyLink may be considered by the City as a violation of the Franchise and shall subject CenturyLink to all remedies available to the City under the Franchise and pursuant to applicable law.

Acknowledged and agreed to this ___ day of _____, 2015.

Qwest Broadband Services, Inc.

By: _____

Its: _____

City of Seattle, Washington

By: _____

Its: _____

STATE OF WASHINGTON -- KING COUNTY

--ss.

326943

No. 124810,809,808,807,806

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY RESOLUTION

was published on

07/31/15

The amount of the fee charged for the foregoing publication is the sum of $108.50 which amount has been paid in full.

Subscribed and sworn to before me on

07/31/2015

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on July 13, 2015, and published below by title only, will be mailed upon request, or can be accessed at http://clerk.seattle.gov. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/council/calendar.

Contact: Office of the City Clerk at (206) 684-8344.

Ordinance 124810

AN ORDINANCE related to cable television; authorizing the Mayor or his designee to enter into a new Cable Television Franchise Agreement and an agreement regarding additional public benefits with Qwest Broadband Services, Inc. d/b/a CenturyLink; authorizing the Chief Technology Officer to enter into other agreements for the purpose of implementing or administering the new franchise; increasing appropriations in the 2015 budget of the Department of Information Technology for costs incurred in processing the franchise application; and transferring cash received for processing the franchise application; all by a 3/4 vote of the City Council.

Ordinance 124809

AN ORDINANCE providing the Office of City Auditor independent audit authority, including access to employer records, after a case is closed by the Seattle Office for Civil Rights (SOCR) in order to evaluate SOCR's enforcement efforts of Chapters 14.16, 14.17, 14.19, and 14.20 of the Seattle Municipal Code (SMC); amending Sections 3.40.040, 14.16.060, and 14.20.060 of the SMC; and creating a new Section 14.19.065 of the SMC.

Ordinance 124808

AN ORDINANCE related to business licenses; amending Sections 5.30.030, 5.30.060, 5.32.150, 5.40.060, 5.40.080, 5.40.085, 5.45.110, 5.55.030, 5.55.040, 5.55.220, and 5.55.230 of the Seattle Municipal Code; and adding a new Section 5.55.238 to the Seattle Municipal Code.

Ordinance 124807

AN ORDINANCE related to the regulation of marijuana businesses; adding a new Chapter 6.500 to the Seattle Municipal Code; amending Ordinance 124648, which adopted the 2015 Budget, changing appropriations to various departments and budget control levels, making cash transfers between various City funds; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Ordinance 124806

AN ORDINANCE relating to the City Light Department; approving a 15-year franchise to construct, operate, maintain, replace, and repair an electrical light and power system in, across, over, along, under, through, and below certain designated public rights-of-way in the City of Lake Forest Park.

Date of publication in the Seattle Daily Journal of Commerce, July 31, 2015.

7/31(326943)

STATE OF WASHINGTON -- KING COUNTY

--ss.

325303 No.

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:COUNCIL BILL 118411

was published on

06/15/15 06/16/15 06/17/15 06/18/15 06/19/15 06/20/15 06/22/15 06/23/15 06/24/15 06/25/15

The amount of the fee charged for the foregoing publication is the sum of $2,480.00 which amount has been paid in full.

Subscribed and sworn to before me on 06/25/2015

Notary public for the State of Washington, residing in Seattle

JENNIFER A. BORRER NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES

Affidavit of Publication

State of Washington, King County

City of Seattle

Notice of Proposed Cable Television Franchise Agreement

CITY OF SEATTLE

COUNCIL BILL 118411

AN ORDINANCE related to cable television; authorizing the Mayor or his designee to enter into a new Cable Television Franchise Agreement and an agreement regarding additional public benefits with Qwest Broadband Services, Inc. d/b/a CenturyLink; authorizing the Chief Technology Officer to enter into other agreements for the purpose of implementing or administering the new franchise; increasing appropriations in the 2015 budget of the Department of Information Technology for costs incurred in processing the franchise application; and transferring cash received for processing the franchise application; all by a 3/4 vote of the City Council.

WHEREAS, The City of Seattle desires to promote competition in the delivery of cable services available to its residents; and

WHEREAS, Qwest Broadband Services, Inc. d/b/a CenturyLink, a Delaware corporation (QBSI), seeks to provide competitive cable services to the residents of Seattle; and

WHEREAS, on April 28, 2015, QBSI submitted an application and $20,000 processing fee required by Seattle Municipal Code 21.60.080 to the City seeking a cable franchise to provide cable services in the City ("Application"); and

WHEREAS, QBSI is a wholly owned subsidiary of CenturyLink, Inc. ("CenturyLink"), a Louisiana corporation; and

WHEREAS, the Application contemplates that the facilities that comprise the cable system will be constructed, owned, and maintained by Qwest Corporation ("QC"), a wholly owned subsidiary of CenturyLink and an affiliate of QBSI, and

WHEREAS, QBSI will utilize QC's facilities to provide cable services in the City; and

WHEREAS, the Office of Cable Communications determined that QBSI's application was complete and contained the information required for a new cable franchise under Seattle Municipal Code Section 21.60.080; and

WHEREAS, the Office of Cable Communications has performed a legal, technical, and financial review of QBSI's qualifications to provide cable services in the City; and

WHEREAS, the Office of Cable Communications finds QBSI to be qualified to provide cable services in the City; and

WHEREAS, the City and QBSI have negotiated in good faith to develop a proposed franchise with terms that will meet the needs and interests of the community and the competitive equity requirements of existing cable franchise agreements; and

WHEREAS, pursuant to Article IV, Section 10 of City's Charter, at least thirty days has passed since introduction of this legislation; and

WHEREAS, pursuant to Article IV, Section 10 of the City's Charter, this ordinance has been published in the official newspaper of the City for ten consecutive press days; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Mayor, or his designee, is authorized to enter into a cable television franchise agreement with QBSI in substantially the form attached to this ordinance as Attachment A ("Cable Television Franchise Agreement"), so long as the Cable Television Franchise Agreement is signed by Grantee no later than 30 days from the approval of this Ordinance.

Section 2. The Mayor, or his designee, is authorized to enter into an agreement with QBSI regarding additional public benefits in substantially the form attached to this ordinance as Attachment B ("Letter of Agreement"), so long as the Letter of Agreement is signed by the Grantee no later than 30 days from the approval of this Ordinance.

Section 3. The Chief Technology Officer (CTO) is authorized to enter into other agreements with QBSI, QC, and CenturyLink for the purpose of implementing or administering the Cable Television Franchise Agreement.

Section 4. In order to pay for necessary costs and expenses incurred or to be incurred in 2015 associated with the processing of the QBSI franchise application, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2015 budget, the appropriation for the following item in the 2015 budget is increased from the fund shown, as follows: **Item -- Fund -- Department -- Budget Control Level -- Amount**

4.1 -- Information Technology Fund (50410) -- Department of Information Technology --Office of Electronic Communications (50410-D4400) -- $20,000; Cable Television Franchise Subfund (00160) -- DoIT -- Cable Fee Support to Information Technology Fund Budget Control/D160B -- 20,000

Section 5. To support the appropriation for item 4.1, cash is transferred as shown in the following table: **Item -- Fund -- Amount --Transferred (In/Out)** 5.1 -- Information Technology Fund (50410) -- $20,000 Transferred In; Cable Television Franchise Subfund (00160) -- ($20,000) -- Transferred Out

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the___ day of_____, 2015, and signed by me in open session in authentication of its passage this _____ day of_____, 2015.

President___of the City Council

Approved by me this___ day of____, 2015.

Edward B. Murray, Mayor

Filed by me this ___ day of ___, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

ATTACHMENTS: Attachment A: City of Seattle Cable Television Franchise Agreement

Attachment B: Letter of Agreement

To view the proposed Ordinance and Attachments, please visit the City Clerk's website at:

https://seattle.legistar.com/Legislation.aspx and locate CB 118411. Contact the Office of the City

Clerk for copies at Clerk@seattle.gov or 206-684-8344. Information about the public hearing can be found on the Office of Cable Communications' website at http://www.seattle.gov/cable/.

Publication Ordered by Monica Martinez Simmons, City Clerk

Date of first publication in the Seattle Daily Journal of Commerce, June 15, 2015.

6/25(325303)