

Resolution No. 31015

The City of Seattle – Legislative Department

Resolution sponsored by: *Jan P. ...*

A RESOLUTION relating to Millennium Digital Media Systems, L.L.C. (Millennium), stating the City Council's expectation that Millennium will significantly improve service quality and customer service in accordance with legislation authorizing a renewed franchise and related agreements in 2007; requesting that the Chief Technology Officer report to the City Council on Millennium's performance; and stating the City Council's intent to pursue available remedies, including possible termination of Millennium's franchise, if Millennium does not significantly improve service quality and customer service.

Related Legislation File: _____

Date Introduced and Referred: <u>9-24-07</u>	To: (committee): <u>Energy & Technology</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>10-1-07</u>	Date Presented to Mayor: 10-1-07
Date Signed by Mayor:	Date Returned to City Clerk: <u>10-1-07</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Returned Without Concurrence:
Published in Full Text _____	

Committee Action:

Date	Recommendation	Vote
<u>9/26</u>	<u>ADOPT - JG, DD</u>	

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote
<u>10-1-07</u>	<u>Adopted</u>	<u>8-0 (Excused: Mc)</u>

Law Department

RESOLUTION 31015

1
2 A RESOLUTION relating to Millennium Digital Media Systems, L.L.C. (Millennium), stating
3 the City Council's expectation that Millennium will significantly improve service quality
4 and customer service in accordance with legislation authorizing a renewed franchise and
5 related agreements in 2007; requesting that the Chief Technology Officer report to the
6 City Council on Millennium's performance; and stating the City Council's intent to
7 pursue available remedies, including possible termination of Millennium's franchise, if
8 Millennium does not significantly improve service quality and customer service.

9 WHEREAS, Millennium Digital Media Systems, L.L.C. (Millennium) provides cable services in
10 the City of Seattle (City) pursuant to nonexclusive franchise agreements and Seattle's
11 Cable Communications Ordinance (Seattle Municipal Code (SMC) Chapter 21.60),
12 including the Cable Customer Bill of Rights (CCBOR) (SMC 21.60.800-.830); and

13 WHEREAS, the City Council is reviewing proposed legislation that would authorize the Mayor
14 or his designee to enter into a renewed cable franchise with Millennium; and

15 WHEREAS, the City Council is also reviewing proposed legislation that would approve the
16 transfer of control of the cable franchises of Millennium subject to Millennium executing
17 certain agreements, including a Settlement Agreement and Town Hall Fiber Construction
18 Agreement; and

19 WHEREAS, the Council's Energy and Technology Committee held two public hearings to
20 receive public comment on the two proposed ordinances; and

21 WHEREAS, at the public hearings, and via public comment at committee meetings and via e-
22 mail and other means, many people testified as to the poor quality of services provided by
23 Millennium, and about the poor customer service provided by Millennium over the
24 telephone and through other mechanisms; and

25 WHEREAS, from February through July 2007, the City Auditor reviewed Millennium's
26 compliance with the CCBOR and found that there are several CCBOR requirements for
27 which Millennium either is out of compliance, only partially complies, or is "in
28 transition" (pertaining to Millennium's move to a regional Customer Call Center in
Michigan); and

WHEREAS, a telephone survey arranged for by the Department of Information Technology
during 2006 indicates a significant level of subscriber dissatisfaction with Millennium's
services; and



1 WHEREAS, survey results and public comments received indicate a strong public perception
2 that Millennium's services are not equivalent to cable services offered in other parts of
3 Seattle, primarily due to the lack of advanced services such as video-on-demand, lack of
4 affordable service, and poor technical quality and customer service; and

5 WHEREAS, the City Council believes that residents in all Seattle neighborhoods should have
6 access to state-of-the-art cable services and should receive excellent customer service
7 from companies that use public rights-of-way to provide such services; and

8 WHEREAS, the City Council is considering authorizing a renewed cable franchise for
9 Millennium, but fully expects that if it does so, Millennium will immediately take steps to
10 improve the quality of its services and its customer service, and that it will provide
11 consistent, high quality services over the term of any renewed franchise; and

12 WHEREAS, the proposed renewed franchise and related agreements include provisions that
13 address many of the public concerns noted during the hearings and in the survey results,
14 such as requirements to offer video-on-demand and a lower-priced cable service tier
15 within 12 months from the effective date of legislation authorizing the agreements; and

16 WHEREAS, the proposed renewed franchise and related agreements also provide certain
17 remedies for failure to perform in accordance with the agreements; and

18 WHEREAS, the City Council wishes to state its intention to closely monitor Millennium's
19 performance under the proposed agreements, if approved, and to take all appropriate
20 actions to enforce the agreements including, if necessary, terminating Millennium's
21 franchise; NOW, THEREFORE,

22 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:**

23 Section 1. The City expects that all companies using public rights-of-way to provide
24 cable services to Seattle residents will provide high quality services and excellent customer
25 service as required under franchise agreements with the City, the Cable Communications
26 Ordinance (Seattle Municipal Code Chapter 21.60), including the Cable Customer Bill of Rights
27 (CCBOR), and all other applicable laws.

28 Section 2. The City Council is reviewing proposed legislation that would authorize the
Mayor or his designee to enter into a renewed ten-year cable franchise agreement and related



1 agreements with Millennium Digital Media Systems, L.L.C. (Millennium). If the legislation is
2 approved, the City Council fully expects that Millennium will take immediate steps to
3 significantly improve the quality of its cable services and customer service, address issues raised
4 by the City Auditor, and fully comply with all provisions of the renewed franchise and related
5 agreements, including meeting all cable system technical requirements and the requirements of
6 the City's CCBOR.
7

8 Section 3. To monitor Millennium's performance, the City expects Millennium to file all
9 reports required under the renewed franchise, related agreements, and applicable laws with the
10 City's Chief Technology Officer (CTO). The CTO is requested to submit quarterly written
11 reports to the Energy & Technology Committee summarizing Millennium's performance under
12 its franchise and related agreements, summarizing any complaint calls received by the Office of
13 Cable Communications and any customer satisfaction surveys completed during the year,
14 describing any other relevant information pertaining to Millennium's performance, and listing
15 any areas in which Millennium's performance falls short of that required under the renewed
16 franchise, related agreements, and applicable laws. If Millennium is out of compliance with its
17 franchise, related agreements, or applicable laws, the CTO is expected to take appropriate
18 action(s) including, but not limited to, assessment of liquidated damages under Subsection 19.2
19 of the renewed franchise, and to describe, in his reports to the City Council, any such action(s)
20 taken. If he chose in any instance not to assess liquidated damages, the CTO is expected to
21 report to the Chair of the City Council's Energy and Technology Committee why he chose not to
22 do so. After it receives a written report from the CTO, the City Council's Energy and
23 Technology Committee intends to schedule a discussion at its committee meetings where the
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1 CTO will summarize Millennium's performance, Millennium representatives can respond, and
2 members of the public can testify as to their experience with Millennium's cable services and
3 customer service.

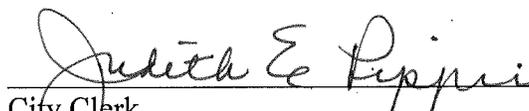
4 Section 4. The City Council intends to request that the Office of City Auditor repeat its
5 assessment of Millennium's performance under the CCBOR in August 2008 and report to the
6 City Council on its findings.

7
8 Section 5. If the City executes a renewed franchise with Millennium in 2007, and
9 Millennium does not significantly improve quality and service as required under the franchise
10 and related agreements, or if Millennium is in violation of its renewed franchise, related
11 agreements, or applicable laws, the City Council will review its options to exercise any and all
12 rights and remedies provided for in the renewed franchise, including, under Section 19 of the
13 renewed franchise, the right to terminate the franchise for a material breach.
14

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16 Adopted by the City Council the 1st day of October, 2007, and signed by me in
17 open session in authentication of its adoption this 1st day of October, 2007.

18
19 
20 President _____ of the City Council

21 Filed by me this 1st day of Oct, 2007.

22
23 
24 City Clerk

25 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Legislative	Martha Lester / 4-8149	N/A

Legislation Title:

A RESOLUTION relating to Millennium Digital Media Systems, L.L.C. (Millennium), stating the City Council's expectation that Millennium will significantly improve service quality and customer service in accordance with legislation authorizing a renewed franchise and related agreements in 2007; requesting that the Chief Technology Officer report to the City Council on Millennium's performance; and stating the City Council's intent to pursue available remedies, including possible termination of Millennium's franchise, if Millennium does not significantly improve service quality and customer service.

- **Summary of the Legislation:** This resolution states the City Council's expectation that Millennium will significantly improve service quality and customer service, and the Council's intent to pursue available remedies, including possible termination of Millennium's franchise, if Millennium does not do so.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*
Millennium Digital Media Systems, L.L.C. (Millennium) provides cable services in Seattle. The City Council is reviewing proposed legislation that would authorize a renewed cable franchise with Millennium (C.B. 115946), and that would approve Millennium's recent transfer of control subject to Millennium executing certain agreements, including a Settlement Agreement and Town Hall Fiber Construction Agreement (C.B. 115947). Testimony received by the Council showed that many people are dissatisfied with service provided by Millennium, and a review by the City Auditor found that Millennium is out of compliance or only partially complies with some Cable Customer Bill of Rights requirements. The Council expects that if it authorizes a renewed cable franchise, Millennium will immediately take steps to improve the quality of its services and its customer service, and that it will provide consistent, high quality services over the term of any renewed franchise. If Millennium does not do so, the Council may exercise any of its rights and remedies provided for in the renewed franchise, including, under Section 19 of the renewed franchise, the right to terminate the franchise for a material breach.

- *Please check one of the following:*

This legislation does not have any financial implications. *(Stop here and delete the remainder of this document prior to saving and printing.)*



STATE OF WASHINGTON – KING COUNTY

--SS.

216478
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

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:31010,15,17-18

was published on

10/17/07

The amount of the fee charged for the foregoing publication is the sum of \$ 69.75, which amount has been paid in full.



Affidavit of Publication

McDevaney

Subscribed and sworn to before me on
10/17/07 *James R. Payne*

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following resolutions, passed by the City Council on October 17, 2007, and published here by title only, will be mailed upon request or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

RESOLUTION NO. 31018

A RESOLUTION in support of the City's efforts on behalf of the American Heart Association's Annual Heart Walk.

RESOLUTION NO. 31017

A RESOLUTION urging Congress to enact the Employee Free Choice Act of 2007, H.R. 800 or S. 1041.

RESOLUTION NO. 31015

A RESOLUTION relating to Millennium Digital Media Systems, L.L.C. (Millennium), stating the City Council's expectation that Millennium will significantly improve service quality and customer service in accordance with legislation authorizing a renewed franchise and related agreements in 2007; requesting that the Chief Technology Officer report to the City Council on Millennium's performance; and stating the City Council's intent to pursue available remedies, including possible termination of Millennium's franchise, if Millennium does not significantly improve service quality and customer service.

RESOLUTION NO. 31010

A RESOLUTION relating to the Seattle Department of Parks and Recreation, authorizing grant applications to the State of Washington Recreation and Conservation Office for \$350,000 to support renovations of the Bitter Lake Tennis Courts, Dahl and Soundview Playfields, and the Amy Yee Tennis Center, projects submitted under the State of Washington's Recreation and Conservation Funding Board's Youth Athletic Facilities program, as provided in Chapter 79A.25 RCW.

Publication ordered by JUDITH PIPPIN,
City Clerk

Date of publication in the Seattle Daily
Journal of Commerce, October 17, 2007.

10/17(216478)