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AGENDA COVER MEMORANDUM

AGENDA DATE: August 4, 2004

TO: LANE COUNTY BOARD OF COMMISSIONERS

FROM: William Van Vactor, County Administrator

PRESENTED BY: Peter Thurston, Community and Economic Development Coordinator

AGENDA ITEM: ORDER/ IN THE MATTER OF AUTHORIZING SETTLEMENT OF CERTAIN DISPUTED FRANCHISE FEE PAYMENTS FROM COMCAST OF OREGON II, INC.

I. MOTION

IT IS MOVED THAT THE ORDER BE ADOPTED IN THE MATTER OF AUTHORIZING SETTLEMENT OF CERTAIN DISPUTED FRANCHISE FEE PAYMENTS FROM COMCAST OF OREGON II, INC.

II. ISSUE OR PROBLEM

Shall Lane County settle certain cable franchise fee disputes due from Comcast of Oregon II, Inc.?

III. DISCUSSION

- A. Background. By Order 04-3-10-4, the Board of Commissioners authorized binding arbitration to resolve franchise fee disputes if payment was not made or a settlement was not reached. In June 2004 Comcast approached the three franchise authorities (Lane County, Eugene, and Springfield) with a proposal, framed along the lines of the settlement of disputes in Los Angeles. Community and Economic Development staff conferred with Eugene and Springfield staff and held several conference calls with Comcast to negotiate more favorable conditions and terms of the settlement. The Metropolitan Policy Committee, as the authorized cable commission, heard a report on July 8 that the proposed settlement would be passed on to each franchise authority for consideration individually.
- B. Analysis. The compromise in this settlement is between the principle of collecting what may be due verses receiving a portion of the disputed payments and not having the expense of arbitration and possibly litigation. The cost of Lane County arbitrating the matter on its own is estimated to be \$50,000. Lane County may receive between \$25,000 and \$40,000 through arbitration or litigation, if successful. Due to a number of unsettled matters, in the courts , the Federal Communication Commission, and