	City of Rochester Hills	**1000 Rochester Hills Dr.**
	AGENDA SUMMARY	**Rochester Hills, MI 48309**
	NON-FINANCIAL ITEMS	**248.656.4630**
		www.rochesterhills.org

Legislative File No: 2007-0240

TO: Mayor and City Council Members

FROM: Bryan Barnett, Mayor

DATE: May 3, 2007

SUBJECT: AT&T Michigan Video Service Local Franchise Agreement

RECOMMENDATION:
That the City Council adopt the proposed Resolution granting approval of a Uniform Video Service Local Franchise Agreement with AT&T Michigan

BACKGROUND INFORMATION:
In December 2006, the State Legislature enacted 2006 PA 480 to eliminate local cable franchising negotiations and replaced it with a uniform statewide video franchise agreement. AT&T Michigan has submitted the state-mandated franchise agreement to the City and many other municipalities in our area. Under the Public Act, the City has 30 days after receiving a completed franchise agreement to approve it; otherwise the franchise agreement is deemed automatically approved. The term of the agreement is10 years, and it may be renewed for 10 more years.

BUDGET AND STAFF IMPACT:
Under the Franchise Agreement AT&T will pay to the City the same 5% franchise fee and PEG fees that Comcast pays, except that AT&T will be entitled to a credit for its annual maintenance fees allocated to the City pursuant to the METRO Act. It is unknown whether AT&T's entry into the local market will result in lower customer charges (and corresponding lower franchise fee revenue), whether AT&T will attract new subscribers thereby increasing franchise revenue flow to the City, or whether AT&T's customer base will be former Comcast or WOW customers who switch over, thereby resulting in no franchise revenue increase.

SUMMARY:
City Council is asked to consider and approve a Video Service Local Franchise Agreement with AT&T Michigan.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		

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