

ORDINANCE NO. 670

AN ORDINANCE GRANTING A NON-EXCLUSIVE FRANCHISE TO ROWAN'S T.V. COMPANY, TO OPERATE AND MAINTAIN A COMMUNITY ANTENNA TELEVISION SYSTEM IN THE CITY OF PRINEVILLE.

THE PEOPLE OF THE CITY OF PRINEVILLE ORDAIN AS FOLLOWS:

Section 1. Short Title. This ordinance shall be known as the "Rowan's T. V. Company Franchise Ordinance."

Section 2. Definitions. For the purposes of this ordinance, the following terms shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular and words in the singular include the plural. The word "Shall" is always mandatory and not merely directory.

- (1) "City" is the City of Prineville, Oregon.
- (2) "Company" is the grantee of rights under this franchise, including its successors or assigns.
- (3) "Council" is the City Council of the City of Prineville, Oregon.
- (4) "Person" is any person, firm, partnership, association, corporation, company or organization of any kind.
- (5) "Technical facilities" or "facilities" shall mean all real property, equipment and fixtures used by Company in the distribution of its services through its system, whether located in City or out, and includes but is not limited to poles, cables, wires, microwave transmitters, antennas, amplifiers, etc.
- (6) "Television System services" or "system services" or "services" shall mean all of the services provided by Company or available to Company to provide through its technical facilities by the grant of this franchise, and shall include but not be limited to the distribution of television and radio signals.

Section 3. Grant of Authority. City grants to Rowan's T. V. Company the right and privilege to construct, erect, operate and maintain, in, upon, along, across, above, over and under the streets, alleys, public ways and public places now laid out or dedicated, and all extensions thereof, and additions thereto, in the City, poles, wires, cables, conduits and other technical facilities necessary for the construction, maintenance and operation in the City of a community television system for the interception, sale and distribution of television system services. This franchise is not exclusive, and the City reserves the right to grant a similar use of streets, alleys, public ways and places to any other person at any time during the period of this franchise.

Section 4. Compliance with Laws, Rules and Regulations. At all times during the term of this franchise Company shall comply with all applicable laws, rules and regulations of the United States of America, the State of Oregon and the City of Prineville; including all agencies and subdivisions thereof. Company shall be subject to the lawful exercise of the police power of City and to such reasonable regulations as City may from time to time hereafter by resolution or ordinance provide.

Section 5. Company Liability, Indemnification of City and Insurance.

- (1) Company shall at all times conduct its operations under this franchise, including installation, construction or maintenance of its facilities, in a safe and workmanlike manner so as not to present a danger to the public or City.
- (2) Company shall pay, save harmless and indemnify City from any loss or Claim against City on account of or in connection with any activity of Company in the construction, operation or maintenance of its technical facilities and system services.
- (3) This franchise shall not be effective until Company secures, and shall at all times be conditioned upon Company maintaining, a comprehensive liability insurance policy which shall contain the following provisions:

- (a) Bodily injury policy limits of \$100,000 for each person and \$300,000 for each occurrence.
- (b) Property damage policy limits of \$100,000.
- (c) An endorsement for completed operations coverage.
- (d) A designation of City, its officers, agents and employees, as additional insureds for liability arising from or in connection with this franchise.
- (e) A certificate evidencing insurance as described in this ordinance shall be deposited with City.

Section 6. System Standards. For the term of this franchise, Company shall construct, operate and maintain its technical facilities and provide system services as follows:

- (1) Company shall provide its subscribers within the City with good quality television and radio reception, station selection and other system services within the limits of its technical facilities; and
- (2) Company shall maintain and improve the technical facilities of its system according to generally accepted practices and standards in the community antenna television industry and according to the technical requirements of providing improved system services to Prineville (Company's obligation to improve its technical facilities shall not extend to extraordinarily costly improvements developed in the industry if the cost of such improvements would impair a reasonable return on Company's investment for the services Company provides); and
- (3) Company shall not make or permit any change in system station selection without prior consultation and written approval of the Council, except as may be required by any federal or state agency having jurisdiction; and
- (4) Company shall make available to its subscribers all signals, stations and system services available within the limits of the system's technical facilities.

Section 7. Company Rules. Company shall have authority to promulgate such reasonable rules and regulations governing the conduct of its business as shall be reasonable necessary to enable the Company to exercise its rights and perform its obligations under this franchise, and to assure uninterrupted service to its customers. Company rules and regulations shall be subject to the provisions of this ordinance and any other governmental regulations.

Section 8. Conditions on Street Occupancy.

- (1) Use. All transmission and distribution structures, lines and equipment erected by the Company within the City shall be so located as to cause minimum interference with the proper use of streets, alleys and other public ways and places, and to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any of the streets, alleys or other public ways or places.
- (2) Restoration. In case of any disturbance of pavement, sidewalk, driveway or other surfacing by Company, the Company shall, at its own cost and expense and in a manner approved by the City, replace and restore all paving, sidewalk, driveway or surface of any street or alley disturbed, in as good condition as before the disturbance. If Company fails to make restoration as required, City shall cause the repairs to be made at the expense of Company.

(3) Relocation. If at any time during the period of this franchise City shall lawfully elect to alter, or change the grade of, any street, alley or other public way, the Company, upon reasonable notice by the City, shall remove and relocate its poles, wires, cables, underground conduits, manholes and other technical facilities at its own expense.

(4) Placement of Fixtures. The Company shall not place its technical facilities where they will interfere with any gas, electric or telephone fixture, sewer or water facility. All facilities placed in the street shall be placed as the City directs.

(5) Temporary Rearrangement of Facilities. Company shall upon receipt of seven days written notice from anyone desiring to move a building or other object according to City ordinances regulating the moving of buildings arrange to temporarily raise, lower or otherwise move its facilities to permit the moving of buildings or other objects if the person wishing to move the building or other object makes a reasonable arrangement to reimburse Company for its expenses in rearranging its facilities.

(6) Tree Trimming. The Company may trim trees upon or overhanging streets, alleys, sidewalks and public places of the City so as to prevent the branches from coming in contact with the facilities of Company, all trimming to be done under the supervision of the City and at the expense of the Company.

Section 9. Discriminatory Practices Prohibited. Company shall make its system services available to all citizens of City without discrimination and shall not give any person any preference or advantage not available to all persons similarly situated.

Section 10. Extension of System Services. Company shall extend the services of its system to all citizens of City within the limits of the system's technical facilities.

Section 11. Transfer of Franchise. Company shall not sell, assign, dispose of or transfer in any manner whatsoever any interest in this franchise or in the technical facilities used with this franchise, nor transfer or permit transfer of controlling interest in Company without prior written approval of Council.

Section 12. City Rights in Franchise.

(1) Use of System by City. City shall have the right to use Company's technical facilities without service charge for police and fire alarm systems or any other City - owned facilities of any nature. City use of Company facilities shall at all times comply with the rules and regulations of Company, and shall not compete or interfere with Company's use.

(2) City Supervision and Inspection. The City shall have the right to supervise all construction or installation of Company facilities subject to the provisions of this ordinance and to make such inspections as it shall find necessary to insure compliance with governing laws, rules and regulations.

(3) Termination or Abandonment of Franchise. Upon any termination of this franchise, whether before the expiration of the franchise or upon expiration, or by any abandonment of the franchise by Company, all technical facilities installed or used by Company shall be removed by Company at Company's expense and the property upon which the technical facilities were used restored by Company to the condition it was in before installation or use by Company, except that City or its designee shall have the following options after termination:

(a) City or its designee may elect to acquire all Company's technical facilities, including Company's off the air reception equipment and other facilities outside City, for their then fair market value, or

(b) City or its designee may elect to acquire Company's technical facilities within the City, and those technical facilities immediately outside the City which are used to receive the off the air reception or other signals, facilities, for their then fair market value.

(c) "Fair market value" shall be determined by a broker or other person recognized as competent in appraising CATV systems by the CATV industry and mutually acceptable to City and Company.

Section 13. Franchise Fee.

(1) As compensation for the franchise granted by this ordinance, company shall pay to City an amount equal to three percent of the gross receipts collected by Company for its system services to customers served by this franchise. Gross receipts shall include all cable rent collected by Company from customers served under this franchise, excluding charges for installation or connections for customer service.

(2) The fee required by this Section shall be due and payable on or before the 20th day of each month for the preceding month if payment amounts to at least \$50.00, otherwise, payable on a quarterly basis.

(3) With each payment Company shall furnish the City Recorder-Treasurer with a written statement under oath, executed by an officer of Company, verifying the amount of gross receipts of Company within the City for the period covered by payment computed on the basis set out in subsection (1) of this section.

(4) City's acceptance of any payments due under this section shall not be considered a waiver by City of any breach of this franchise.

Section 14. Review of System Standards. Upon completion of Company's technical facilities as described in Section 15, and thereafter from time to time but at least annually (if the annual test is requested by City), and at any time upon reasonable request by City, Company shall supply a qualified electronic technician who is satisfactory to City to test the performance of Company's technical facilities. These tests shall be conducted in representative geographic areas within the City. Criteria to be used in the tests are described in exhibit "A" which is attached to and made a part of this ordinance. As industry testing devices and procedures improve during the term of this franchise, new or improved criteria approved or used by the Federal Communications Commission shall be incorporated in the tests of the technical facilities performance. If the cost of new tests not developed or in use at the time of passage of this ordinance greatly increases Company's testing costs with the consequence that a reasonable return on Company's investment for the services Company provides is impaired, then employment of such tests shall not be required except on special agreement between Company and City.

Section 15. Facilities. Company shall provide a good 12 channel cable TV system carrying television stations (or their present channels) KEZI-TV, KGW-TV, KOIN-TV, KATU-TV, KPTV-TV, KOAP-TV, KOAC-TV, KVAL-TV, and channel 3 in Salem, and a weather channel; also a channel for local programs; and all FM signals, from 88-108 megacycles, within limits of system's FM technical facilities.

Section 16. Rate Schedule.

(1) Upon Company completing its technical facilities as described in Section 15, and upon the facilities providing good quality system services as determined by the criteria described in section 14, Company may charge the following maximum rates for its services under this franchise.

	<u>Connection</u> (for new Subscribers)	<u>Monthly</u> (for all subscribers)
(a) Single-family residence, one outlet	\$19.95	\$5.00
Rental Plan	None	\$6.45
Extra TV Outlets, each for all subscribers	\$10.00	\$1.00
(b) Multiple residential buildings, motels, hotels, trailer or mobile home parks, nursing homes, hospital, etc. (one outlet per unit):		
(A) If owner pays all charges:		
2 units	\$34.95	\$7.30
3 units or more, for each unit over 2, add to above	\$15.00	\$1.80
(B) If cable company contracts with individual tenants	\$10.00	\$5.50
(c) Reconnection of existing single-family residential drop (one outlet)	\$10.00	\$5.00
Extra outlets (already in), each	\$5.00	\$1.00
Extra outlets (new installation), each	\$10.00	\$1.00
(d) Transfer to new address by present subscriber	\$6.00	No change
Extra outlets (already in), each	\$6.00	\$1.00
Extra outlets (new installation), each	\$10.00	\$1.00
(e) FM-radio tap-off, each	\$7.50	\$.25
(f) TV Dealers and Repairmen	\$19.95	\$5.50
(g) Other businesses	\$19.95	\$5.50
Extra outlets, each	\$15.00	\$1.80
(h) Schools:		
One outlet	None	None
Additional outlets	At Cost	None
(i) City Hall	None	None
(j) For other or unusual services, or for special equipment, charges will be negotiated for individual contracts the charges to be com- patible with other rates of the Company and reasonable.		
(k) Various discounts may be allowed from time to time as promotional devices for which any new subscriber would be eligible.		
(l) Unwarranted complaint calls:		
First such call, no charge.		
Additional calls, (Optional), each \$3.00		

(2) Company may increase the rate for "single-family residences, one outlet" as recited in Section 16 (1) (a) and 16 (1) (c) from \$5.00 to \$5.50 each month two years from the effective date of the Section 16 rate designation provided Company's technical facilities are providing good quality system services, subject to approval of the City Council. To determine whether the technical facilities are providing good quality system services the criteria described in Section 14 and Exhibit "A" shall be used but these criteria shall also be tested against the television signal actually being delivered through the technical facilities from the television stations listed in Section 15 to the television sets used by

subscribers within the City. The television signal of at least five of the stations described in Section 15, including three of the Portland stations, shall be received by Company and distributed into Company's distribution system within the City with a signal to noise ratio of at least 40dB, and these television signals shall be received by subscribers within the City with a signal to noise ratio of at least 37dB.

(3) City and Company agree that the rates provided in Subsection (1) and (2) of this Section are reasonable compensation to Company for the services described in Section 15 and that the term "reasonable compensation" may be hereafter defined at the discretion of the City after a study and consideration of the national figures for similar services as affected by local conditions.

(4) City, either upon its own motion or upon request of Company, may at any time during the period of this franchise by ordinance change the rate structure if changes are necessary in the best interests of the City and Company's subscribers, and are fair and reasonable compensation to Company for the services being rendered.

Section 17. Company Records and Reports. Company shall keep accurate books of accounts at an office within the State of Oregon throughout the term of this franchise. Company shall produce its books of account for inspection by City at any time during normal business hours and City may audit Company's books from time to time. City may require periodic reports from Company relating to its operation and revenue within the City.

Section 18. System Data. Company shall maintain at an office in Prineville all current maps and other operational data relating to its system operations in the City of Prineville. City may inspect these maps and data at any time during normal business hours.

Section 19. Permit and Inspection Fees. Nothing in this ordinance shall be construed to limit the right of City to require Company to pay reasonable costs incurred by City in connection with the issuance of a permit, making an inspection, or performing any other service for or in connection with Company or its facilities, whether pursuant to this ordinance or any other ordinance or regulation now in effect or hereafter adopted by the City.

Section 20. Termination of Franchise. Upon the failure of Company, after sixty days notice and demand in writing, to perform promptly and fully each and every term, condition or obligation imposed upon it according to this ordinance, the Council may, at its option and in its sole discretion, which discretion shall be reasonably applied, by ordinance or resolution, terminate this franchise.

Section 21. Remedies Not Exclusive; Waiver. All remedies under this ordinance, including termination of franchise, are cumulative, and recovery or enforcement of one is not a bar to the recovery or enforcement of any other remedy. Remedies contained in this ordinance, including termination of the franchise, are not exclusive and the City reserves the right to enforce penal provisions of any ordinance and also use any remedy available at law or in equity. Failure to enforce any provision of this ordinance shall not be construed as a waiver of a breach of any other term, condition or obligation of this ordinance.

Section 22. Franchise term. This franchise is granted for a term of 11 years. Company shall have an option to renew this franchise ordinance for another 9 years upon the following terms and conditions: Company shall not be in default in its performance of any of the terms or conditions of this franchise, and shall be providing good system services as determined by the system review standards of Section 14.

Section 23. Emergency Use of Facilities. City May use Company's facilities during local emergencies for purposes of advising City's citizens in connection with the emergency.

Section 24. Acceptance of Franchise. Within thirty days from the effective date of this ordinance, Company shall file with the City Recorder-Treasurer a written unconditional acceptance of this franchise and all of its terms and conditions, and if they fail to do so, this ordinance shall be void and of no effect.

Section 25. Constitutionality. If any section, subsection, sentence, clause or portion of this ordinance is for any reason held invalid or rendered unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the constitutionality of the remaining portion hereof. If for any reason the franchise fee is invalidated or amended by the act of any Court or governmental agency then the highest reasonable franchise fee allowed by such Court or other governmental agency shall be the franchise fee charged by this ordinance.

Adopted by the City Council this 11th day of MAY, 1971.

Approved by the Mayor this 12th day of MAY, 1971.


William P. Holtsclaw, Mayor


Jim Watson, City Recorder

Summary: Standards of Performance

A. Cable specifications

1. Solid sheath aluminum, foam polyethylene dielectric and copper center conductor, or copperweld aluminum center conductor. Sealmetric aluminum is acceptable.
2. Characteristic Impedance of 75 ohms with return loss of 28 dB or better from 50 to 220 MHz.
3. Free of defects.

B. Amplifier specifications

1. Frequency range	50 to 240 MHz - all amplifiers			
2. Response flatness	$\pm \frac{1}{2}$ dB - all amplifiers			
3. Tilt control range (upward tilt at channel 2)	<u>Trunk</u>	<u>Amplifier</u>	<u>Bridger</u>	<u>Amplifier</u>
	5dB			5dB
4. Minimum Return Loss-Input	18dB	18dB	18dB	18dB
5. Minimum Return Loss-Output	15dB	15dB	15dB	15dB
6. Minimum Return Loss-Bridger	15dB	15dB	15dB	15dB
7. Maximum Noise Figure-Low Band	10dB	10dB	19dB	19dB
8. Maximum Noise Figure-High Band	12dB	12dB	21dB	21dB

Trunkline amplifiers shall have automatic gain control of ± 3 dB, continuous (with tilt compensation), providing temperature compensation for ambient temperature variations.

C. Cable - System Tests (with incoming test signals inserted at head-end).

1. Tests to be taken at end of each trunkline and at the end of at least three typical feeder cables.
2. Carrier to Noise Ratio: not less than 40 dB.
3. Cross-Modulation Distortion: no visible cross-modulation on any channel, with full modulation on all but the channel under observation.
4. Channel Characteristics: less than ± 1.5 dB deviation in relative levels of visual carrier, aural carrier and color sub-carrier points, on each channel.
5. System Hum Modulation: not more than 5% (peak-to-peak AC hum variation to average DC level).

EXHIBIT "A"
PROOF OF PERFORMANCE

CARRIER TO NOISE

To eliminate any uncontrolled variables in the system, a measurement of the Carrier to Noise Ratio is used rather than Signal to Noise. Since the signals are received from varying distances and are therefore not uniform to each other, these signals could have a noise component of their own which could be misconstrued as system noise, hence the procedure of using the system channel carrier as reference.

At the point in the system that has been selected for measurement, a signal level meter, properly terminated should be attached. The modulation associated with the selected channel under measurement should be removed, leaving only the carrier. It should have been previously determined that all carrier levels have been properly adjusted at the head-end. The reading on the SL Meter representing the visual carrier should be recorded, then the carrier removed (turned off at the head-end) and the reading on the SL Meter recorded for the noise on that channel. The difference between these readings signifies the carrier to noise ratio. This value can be given to dB or Direct. If this ratio is small (noise high) it should be determined if it is really noise, or a spurious signal on the channel. The modulation of some of the other channels can be systematically removed, while observing SL Meter for any change. If removal of modulation does change the reading, cross-modulation products are being read along with noise. If no change is detected, then systematic removal of the other channel will determine if any harmonics are present in the channel.

The anticipated noise at any point in the system can be calculated and made part of the original engineering. Should a radical departure from the "Calculated" be experienced, this would in all likelihood be a defective amplifier, rather than system noise. Since noise is random in nature, noise addition is a power function, following the pattern of 3 dB increase each time the number of amplifiers is doubled, and 10 dB increase for each time the number of amplifiers is multiplied by 10.

When measured in this manner, the system signal-to-noise ratio must be higher than 37 dB, providing the S/N ratio of the received signal is at least 40 dB.

In determining the overall performance of a system, the combination of the carrier-to-noise ratio of the plant and the signal-to-noise ratio of the received signal will determine the ultimate ratio that exists between the picture video and noise, whether this noise combination is predominant at the head-end receiver or over the cable plant. In either case, the S/N ratio of the terminals of the house drop will be slightly worse than the lowest ratio. The total degradation below the worst ratio will be the summation of the two ratios, with the worst condition when both ratios are equal, producing a 3 dB degradation. These anticipated ratios can easily be calculated, and should be part of the original engineering, tabulated for each channel on the system.

Maintaining a proper S/N ratio is of prime importance due to the transmission of color signals. While the noise component in a monochrome picture might not severely degrade the picture, the same ratio on a color picture is significantly more objectionable, therefore, a system should be designed and maintained for the highest reasonable S/N ratio.

CROSS-MODULATION DISTORTION

In a multi-channel distribution system, each picture carrier cross-modulates every other picture carrier, and the combined cross-modulation increase with the number of channels depends on the coherence between the modulation signals on the various channels. This cross-modulation is induced in the non-linear response characteristics of the amplifiers. The cross-modulation (CM) increases materially with signal levels, number of signals and signal coherence. Presently, the exact level of CM that is detectable in a picture is not accurately defined in the CATV industry. All systems shall ensure that the pictures delivered to the customer contain no visible cross-modulation.

The initial check for CM is performed with a standard TV receiver connected identically as a customer drop. With all channels operating at normal levels and modulation, the TV receiver should be adjusted to a desired picture. The modulation should be removed

from the channel at the head-end, leaving only the pure carrier. (White Screen)

Optical observation of the blank screen should not disclose any trace of "syne walk" or video cross talk. This procedure should be repeated for each channel, always having full modulation on all but the channel under observation. The same test should be repeated at various points in the system.

CHANNEL CHARACTERISTICS.

Inasmuch as the majority of stations are transmitting an increasing amount of color, good frequency characteristics must be maintained across the 6 mc channel.

Channel frequency response can be checked by the following method:

A signal generator can be inserted into the main trunkline at the head-end and adjusted to the proper output level. At a selected point in the system a SL Meter is used to determine the relative levels of the visual carrier, aural carrier and color sub-carrier points, as the signal, generator is tuned to these three frequencies. The deviation in these three levels in each channel bandwidth should be less than ± 1.5 dB.

SYSTEM HUM MODULATION

This test is to determine the modulation, if any, to the carriers by the AC necessary to power the system amplifiers. Insert in the transmission system a CW signal for the picture carrier of any channel to be used on the system - the level of the signal inserted should be approximately equal to the mean value of the signals which will be received from the system head-end point. At the extremities of the trunkline of the system, insert a detector and examine the resultant signal on an oscilloscope. Measure the average DC level. Measure the Peak to Peak AC hum variation. The ratio in percentage of the peak to peak AC variation to the average DC level is the percentage of system hum modulation and will not be more than 5%. A low frequency oscilloscope must be used to prevent noise from obscuring the observed wave-form.