

14. NOTICE OF FRANCHISE RENEWAL CHARTER COMMUNICATIONS

Charter Communications currently holds a cable television franchise to provide cable service within the territorial limits of Southampton County, which is scheduled to expire on November 23, 2016.

The federal *Cable Act* provides that if a written renewal request is submitted by the cable operator during the 6-month period which begins with the 36th month before franchise expiration and ends with the 30th month prior to franchise expiration, a franchising authority **shall**, within six months of the request, commence proceedings to identify future cable-related community needs and interests and to review the performance of the cable operator under the franchise during the current franchise term.

Charter Communications has submitted the written request specified in the *Cable Act* by letter dated December 27, 2013, which letter was received by the County on December 30, 2013. The written request advises the County that Charter Communications is invoking its rights under the **formal renewal procedures** set forth in the *Cable Act*, 47 U.S.C. § 546(a)-(g). Based on the date the County received the written request from Charter Communications, the *Cable Act* would require the County to commence a needs assessment and past performance proceeding not later than June 30, 2014.

That said, the *Cable Act* contemplates both a "formal" and "informal" procedure to accomplish renewal. Agreeing to utilize the informal renewal process described in Section 626(h) of the *Cable Act*, 47 U.S.C. § 546(h), would be mutually beneficial and preferable to the formal renewal procedures.

The attached "Standstill Agreement" provides that the County and Charter Communications agree to proceed exclusively under the "informal" renewal process, while each party reserves the right to at any time continue with the formal renewal procedures. Either party may invoke its right to continue with the formal renewal procedures by providing written notification to the other party.

Attachments: 1) Charter Communications letter of December 27, 2013
 2) Current Franchise Ordinance
 3) Draft "Standstill Agreement"

MOTION REQUIRED: A motion is required to approve the attached "Standstill Agreement" with Charter Communications to toll the time running on the formal franchise renewal procedures in order to pursue the informal procedures allowed under the federal *Cable Act*.



CERTIFIED MAIL/RETURN RECEIPT

December 27, 2013

Mr. Michael W. Johnson
County Administrator
County of Southampton
26022 Administration Center Dr.
P.O. Box 400
Courtland, VA 23837

Re: County of Southampton, VA Franchise Renewal
VA0381

Dear Mr. Johnson:

Charter Communications I/k/a Charter Communications ("Charter") has appreciated the opportunity to serve the County of Southampton and its residents over the years. Our current franchise is due to expire on 11/23/16. Section 626 of the Federal Cable Act states that cable operators provide notice to the local government that the cable operator intends to continue operating within a franchise area.

As you may be aware, the State of Virginia passed 2006 Va. SB 706/HB 1404 ("the Virginia law") with an effective date of July 1, 2006.

Under the Virginia law, the local cable franchising renewal process is preserved, though with some new limitations on local authority. The law provides an "ordinance cable franchise" which can be obtained by an incumbent cable service provider such as Charter upon expiration of its existing franchise. Prior to renewal, if a locality grants an ordinance cable franchise (or a negotiated franchise) to a new entrant, the incumbent provider may opt into the same terms and conditions, taken as a whole, or amend and restate its existing franchise to match those new terms.

In response to these developments, Charter would like to simultaneously notify you of the Virginia law and our intention to adhere to its provisions, and at the same time assure protection of our federal renewal rights under Section 626 of Title VI of the Communications Act of 1934 pertaining to franchise renewals by filing this 626 letter with you.

We will be happy to discuss this matter with you or provide any additional information you may require regarding this notification. We look forward to maintaining the long

relationship that we believe has benefited the community and its residents. Please contact me at 864-286-5090 if you have any questions or concerns. Thank you.

Very truly yours,

CHARTER COMMUNICATIONS,
Ika Charter Communications

Jim Corrin



Dir, Government Relations

cc: Angela Dierolf

AN ORDINANCE GRANTING A FRANCHISE TO FALCON CABLEVISION, A CALIFORNIA LIMITED PARTNERSHIP, DOING BUSINESS AS CHARTER COMMUNICATIONS, ITS SUCCESSORS OR ASSIGNS, TO OWN AND OPERATE AND MAINTAIN A CABLE SYSTEM IN THE COUNTY OF SOUTHAMPTON, VIRGINIA, SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF FRANCHISE, AND PROVIDING FOR THE REGULATION AND USE OF SAID SYSTEM

NOW, THEREFORE, the County of Southampton does ordain that there is hereby granted, and established a nonexclusive franchise for a period of fifteen (15) years for the operation and maintenance of a Cable System within the County of Southampton to Falcon Cablevision, a California Limited Partnership, doing business as Charter Communications, hereinafter referred to as the "Grantee."

Provided, however, that said franchise shall be subject to the following terms and performance conditions:

ARTICLE I

**GRANT OF FRANCHISE
AND GENERAL PROVISIONS**

SECTION 1. TITLE OF ORDINANCE

This Ordinance shall be known and may be cited as the "Cable Franchise," hereinafter "Franchise," and it shall become a part of the ordinances of the County of Southampton.

SECTION 2. DEFINITIONS

For the purpose of this ordinance the following terms, phrases, words and their derivations 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 number include the singular number, and words in the singular number include the plural number. The word "shall" is

mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

"Basic service tier" shall mean those Subscriber services provided by the Grantee, pursuant to the Cable Television Consumer Protection and Competition Act of 1992, including the delivery of broadcast signals electing carriage and any public, educational and governmental access covered by the regular monthly charge paid by all Subscribers, excluding optional services for which a separate charge is made.

"Board/Council" shall mean the governing body of the County of Southampton, Virginia.

"Cable Services" shall mean (1) the one-way transmission to Subscribers of (a) video programming, or (b) other programming services, and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

"Cable System" shall mean the Grantee's facility, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the Service Area.

"Cable mile" shall mean a linear mile of strand-bearing cable as measured on the street or easement from pole to pole or pedestal to pedestal.

"County" is the County of Southampton, a political subdivision of the State of Virginia.

"Class IV channel" shall mean a signaling path provided by a Cable System to transmit signals of any type from a Subscriber terminal to another point in the cable system.

"FCC" shall mean the Federal Communications Commission and any legally appointed or elected successor.

"Franchise" shall mean the non-exclusive rights granted pursuant to this ordinance to construct and operate a Cable System along the public ways within all or a specified area in the County. "Grantee" shall mean any "person" receiving a Franchise pursuant to this ordinance and its lawful successor, transferee or assignee.

"Gross Revenue" means any revenue directly received from Subscribers by the Grantee from the operation of the Cable System to provide Cable Services in the Service Area, provided, however, that such phrase shall no include: (1) any taxes, free or assessment of general applicability collected by the Grantee from Subscribers for pass-through to a government agency, including the FCC User Fee; (2) unrecovered bad debt; and (3) any PEG or I-Net amounts recovered from Subscribers.

"Installation" shall mean the connection of the system from feeder cable to Subscribers' terminals.

"Person" shall mean an individual, partnership, association, organization, corporation or any lawful successor, transferee or assignee of said individual, partnership, association, organization or corporation.

"Public School" shall mean any school at any educational level operated within the County by any public, private or parochial school system, but limited to, elementary, junior high school, and high school.

"Reasonable notice" shall be written notice addressed to the Grantee at its principal office or such other office as the Grantee has designated to the County as the address to which notice should be transmitted to it.

"Sale" shall include any sale, exchange, barter or offer for sale.

"Service area" shall mean the geographic area within Franchise territory having thirty (30) dwellings per cable mile.

"State" shall mean the State of Virginia.

"Street" shall include each of the following which have been dedicated to the public or hereafter dedicated to the public and maintained under public authority or by others and located within the County limits: streets, roadways, highways, avenues, lanes, alleys, sidewalks, easements, rights-of-way and similar public ways and extensions and additions thereto, together with such other public property and areas that the County shall permit to be included within the definition of street from time to time.

"Subscriber" shall mean any person lawfully receiving cable from the Grantee.

"User" means a party utilizing a cable system channel for purposes of production or transmission of material to Subscribers, as contrasted with receipt thereof in a Subscriber capacity.

SECTION 3. RIGHTS AND PRIVILEGES OF GRANTEE

The Franchise granted by the County pursuant to this ordinance shall grant to the Grantee the right and privilege to erect, construct, operate and maintain in, upon, along, across, above, over and under the streets, now in existence and as may be created or established during its terms; any poles, wires, cable, underground conduits, manholes, and other conductors and fixtures necessary for the maintenance and operation of a Cable system.

SECTION 4. FRANCHISE TERRITORY

This nonexclusive Franchise relates to the County limits as presently defined and to any area henceforth added thereto during the term of this Franchise.

SECTION 5. DURATION AND ACCEPTANCE OF FRANCHISE

The Franchise and the rights, privileges and authority hereby granted shall take effect and be in force from and after final passage thereof, as provided by law, on November 24, 2001 and shall continue in force and effect for a term of fifteen (15) years, provided that within thirty (30) days after the date of final passage of the Franchise the Grantee shall file with the County its acceptance of the Franchise.

SECTION 6. FRANCHISE REQUIREMENTS FOR OTHER FRANCHISE HOLDERS

In the event that County grants one (1) or more franchise(s) or similar authorizations, for the construction, operation and maintenance of any communication facility which shall offer services substantially equivalent to services offered by the Cable System it shall not make the grant on more favorable or less burdensome terms. If said other franchise(s) contain provisions imposing lesser obligations on the company(s) thereof than are imposed by the provisions of this Franchise, Grantee may petition County for a modification of this Franchise. The Grantee shall be entitled, with respect to said lesser obligations to such modification(s) of this Franchise as to insure fair and equal treatment by this Franchise and said other agreements.

In the event that a non-franchised multichannel video programming distributor provides service to the residents of the County, the Grantee shall have a right to request Franchise amendments that relieve the Grantee of regulatory burdens that create a competitive disadvantage to the Grantee. In requesting amendments, the Grantee shall file a petition seeking to amend the Franchise. Such petitions shall:

1. Indicate the presence of a non-franchised competitor(s);
2. Identify the basis for Grantee's belief that certain provisions of the Franchise place Grantee at a competitive disadvantage;

3. Identify the regulatory burdens to be amended or repealed in order to eliminate the competitive disadvantage.

The County shall not unreasonably withhold granting the Grantee's petition and so amending the franchise.

SECTION 7. FRANCHISE RENEWAL

This Franchise may be renewed by the County upon application of the Grantee pursuant to applicable law.

SECTION 8. POLICE POWERS AND CONFLICTS WITH FRANCHISE

In accepting this Franchise, the Grantee acknowledges that its rights hereunder are subject to the police power of the County to adopt and enforce general ordinances necessary to the safety and welfare of the public; and it agrees to comply with all applicable general laws and ordinances enacted by the County pursuant to such power. Subject to the County's lawful police powers, the County may not, by ordinance or otherwise, alter any of the Grantee's material rights, benefits, obligations or duties as specified in this Franchise.

SECTION 9. CABLE SYSTEM FRANCHISE REQUIRED, EXCLUSIVE CONTRACTS PROHIBITED

No cable system shall be allowed to occupy or use the streets or public right of way of the County or be allowed to operate without a cable system Franchise.

SECTION 10. USE OF COMPANY FACILITIES

The County shall have the right, during the life of this Franchise, to install and maintain free of charge upon the poles owned by the Grantee any wire and pole fixtures that do not unreasonably interfere with the cable system operations of the Grantee. This right shall not apply to any facilities used by the County to compete with Grantee.

SECTION 11. NOTICES

All notices from Grantee to the County pursuant to this Franchise shall be to the County Clerk. Grantee shall maintain with the County, throughout the term of this Franchise, an address for service of notices by mail.

SECTION 12. INDEMNIFICATION AND INSURANCE

A. Indemnification

The Grantee shall, by acceptance of the Franchise granted herein, defend Grantor, its Officers, Boards, Commissions, Agents, and Employees for all claims for injury to any person or property caused by the negligence or alleged negligence of Grantee in the construction or operation of the cable system and in the event of a determination of liability shall indemnify and hold Grantor, its Officers, Boards, Commissions, Agents, and Employees harmless from any and all liabilities, claims, demands, or judgments growing out of any injury to any person or property as a result of the violation or failure of Grantee to observe its proper duty or because of the negligence or alleged negligence of Grantee arising out of the construction, repair, extension, maintenance, operation or removal of its wires, poles or other equipment of any kind or character used in connection with the operation of the cable system.

B. Insurance

(1) The Grantee shall maintain throughout the term of the Franchise insurance in amounts at least as follows:

Workers' Compensation	Statutory Limits
Commercial General Liability	\$1,000,000 per occurrence, Combined Single Liability (C.S.L.) \$3,000,000 General Aggregate
Auto Liability including coverage	\$1,000,000 per occurrence C.S.L.

on all owned, non-owned
hired autos Umbrella Liability

Umbrella Liability

\$1,000,000 per occurrence C.S.L.

(2) The County shall be added as an additional insured to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.

(3) The Grantee shall furnish the County with current certificates of insurance evidencing such coverage.

(4) The minimum amounts set forth herein for such insurance shall not be construed to limit the liability of the Grantee to the County under the Franchise issued hereunder to the amounts of such insurance.

SECTION 13. RIGHTS OF INDIVIDUALS

A. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers, channel users, or general citizens on the basis of race, color, religion, national origin, age or sex. Grantee shall comply at all times with all other applicable federal, state and local laws and regulations, and all executive and administrative orders relating to nondiscrimination which are hereby incorporated and made part of this ordinance by reference.

B. Grantee shall strictly adhere to the equal employment opportunity requirements of the FCC and state and local regulations, as amended from time to time.

C. The Grantee, or any of its agents or employees, shall not, without the specific written authorization of the Subscriber involved, sell, or otherwise make available to any party any list which identifies the viewing habits of individual Subscribers.

D. The cable system of the Grantee shall be operated in a manner consistent with the principle of fairness and equal accessibility to all citizens.

E. Grantee shall establish rates that are nondiscriminatory within the same general class of Subscribers which must be applied fairly to all Subscribers in the franchise area for all services. Nothing contained herein shall prohibit the Grantee from offering (i) discounts to commercial and multiple family dwelling Subscribers billed on a bulk basis; (ii) promotional discounts; or (iii) reduced installation rates for Subscribers who have multiple services.

SECTION 14. PUBLIC NOTICE

Minimum public notice of any public meeting relating to this Franchise shall be by publication at least once in a newspaper of general circulation in the area at least ten (10) days prior to the meeting, posting at County hall and by announcement on at least one (1) channel of the Grantee's cable system for five (5) consecutive days prior to the meeting.

SECTION 15. SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held invalid or 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 validity of the remaining portions of this Ordinance.

ARTICLE II

CABLE SYSTEM EXTENSION, OPERATION, STANDARDS AND PROCEDURES

SECTION 1. SERVICE AVAILABILITY

The Grantee shall provide cable service throughout the Franchise area pursuant to the provisions of this Franchise and shall keep a record of all service extended by the Grantee. This record shall be available for inspection by the County at the local office of the Grantee during regular office hours.

A. Line Extensions

(1) In all areas of the Franchise territory, the Grantee shall be required to extend its system pursuant to the following requirements:

(a) Grantee must extend and make cable system service available to every dwelling unit in all unserved, developing areas having at least thirty (30) dwelling units per cable mile as measured from the existing system, and shall extend its system simultaneously with the installation of utility lines.

(b) Grantee must extend and make cable system service available to any isolated resident requesting connection at the standard connection charge, if the connection to the isolated resident would require no more than a standard one hundred and fifty (150) foot aerial drop line.

(2) Early Extension

In areas not meeting the requirement for mandatory extension of service, Grantee shall provide, upon the written request of a potential Subscriber desiring service, an estimate of the costs required to extend service to said Subscriber. Grantee may require advance payment or assurance of payment satisfactory to Grantee. The amount paid by Subscribers for early extension shall be nonrefundable, and in the event the area subsequently reaches the density required for mandatory extension, such payments shall be treated as consideration for early extension.

(3) New Development Underground

In cases of new construction or property development where utilities are to be placed underground, the developer or property owner shall give Grantee at least 30 days prior notice of such construction or development, and of the particular date on which open trenching

will be available for Grantee's installation of conduit, pedestals and/or vaults, and laterals to be provided at Grantee's expense. Grantee shall also provide specifications as needed for trenching.

Costs of trenching and easements required to bring service to the development shall be borne by the developer or property owner; except that if Grantee fails to install its conduit, pedestals and/or vaults, and laterals within five (5) working days of the date the trenches are available, as designated in the notice given by the developer or property owner, then should the trenches be closed after the five-day period, the cost of new trenching is to be borne by Grantee.

Nothing herein shall be construed to prevent Grantee from serving areas not covered under this section upon agreement with developers, property owners, or residents.

SECTION 2. CONSTRUCTION AND TECHNICAL STANDARDS

A. Construction Standard

(1) Compliance with Safety Codes

All construction practices shall be in accordance with all applicable sections of the Occupational Safety and Health Act of 1970 and any amendments thereto as well as all state and local codes where applicable.

(2) Compliance with Electrical Codes

All installation of electronic equipment shall be of a permanent nature, durable and installed in accordance with the provisions of the National Electric Safety Code as amended.

(3) Antennas and Towers

Antenna supporting structures (towers) shall be designed for the proper loading zone as specified in Electronics Industry Association's R.S.-22A Specifications.

(4) Compliance with Aviation Requirements

Antenna supporting structures (tower) shall be painted, lighted, erected and maintained in accordance with all applicable rules and regulations of the Federal Aviation Administration and all other applicable state or local codes and regulations.

(5) Construction Standards and Requirements

All of the Grantee's plant and equipment, including but not limited to the antenna site, head-end and distribution system, towers, house connections, structures, poles, wire, cable, coaxial cable, fixtures and appurtenances shall be installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained and operated in accordance with good engineering practices, performed by experienced maintenance and construction personnel so as not to endanger or interfere with improvements the municipality may deem proper to make, or to interfere in any manner with the rights of any property owner, or to unnecessarily hinder or obstruct pedestrian or vehicular traffic on municipal properties.

(6) Safety, Nuisance Requirements

The Grantee shall at all times employ ordinary care and shall install and maintain in use commonly accepted methods and devices preventing failures and accidents which are likely to cause damage,

B. Network Technical Requirements

The Cable System shall be operated so as to meet the following general objectives:

- (1) Capable of continuous twenty-four (24) hour daily operation;
- (2) Capable of operating over an outdoor temperature range of -20 degrees F to +120 degrees F and meeting all specifications as set forth herein over said temperature range without catastrophic failure or irreversible performance changes over variations in supply voltages from 105 to 130 volts AC;

(3) Operated in such a manner as to avoid causing interference with reception of off-the-air signals by non-Subscribers to the network;

(4) Designed, installed and operated so as to assure the delivery to all Subscribers of standard color and monochrome signals on the FCC-designed Class I channels without noticeable picture degradation or visible evidence of color distortion or other forms of interference directly attributable to the performance of the Cable System.

C. Performance Monitoring

(1) Test procedures used in verification of the performance criteria set forth in paragraph 76.609, Subpart K of the FCC Rules and Regulations, shall be in accordance with good engineering practice.

(2) To the extent that the report of measurements as required above may be combined with any reports of measurements required by the FCC or other regulatory agencies, the County shall accept such combined reports, provided that all standards and measurements herein or hereafter established by the County are satisfied.

(3) The County may require additional tests, full or partial repeat tests, different test procedures on the basis of complaints received or other evidence indicating an unresolved controversy or significant non-compliance, and such tests will be limited to the particular matter in controversy. The County will endeavor to so arrange its requests for such special tests so as to minimize hardship or inconvenience to Grantee or to the Subscriber.

D. Street Occupancy

(1) Grantee shall utilize existing poles, conduits and other facilities whenever possible, and shall not construct or install any new, different, or additional poles, conduits, or other facilities whether on public property or on privately-owned property until the written

approval of the County is obtained, which approval shall not be unreasonably withheld. However, no location of any pole or wire holding structure of the Grantee shall be a vested interest and such poles or structures shall be removed or modified by the Grantee whenever the County reasonably determines that the public convenience would be enhanced thereby. The costs for such removal or modification shall be paid by Grantee if all other users of the streets are also required to pay such costs for their facilities.

(2) The facilities of the Grantee shall be installed underground in those areas of the County where existing telephone and electric services are both underground at the time of system construction. In areas where either telephone or electric utility facilities are installed aerially at the time of system construction, the Grantee may install its facilities aerially with the understanding that at such time as the existing aerial facilities are required to be placed underground by the County, the Grantee shall likewise place its facilities underground.

(3) A Grantee shall notify the County at least ten (10) days prior to the intention of the Grantee to commence any construction in any streets. The County shall cooperate with the Grantee in granting any permits required, providing such grant and subsequent construction by the Grantee shall not unduly interfere with the use of such streets and that proposed construction shall be done in accordance with the pertinent provisions of the ordinances of the County.

(4) All transmission lines, equipment and structures shall be so installed and located as to cause minimum interference with the rights and reasonable convenience of property owners and at all times, shall be kept and maintained in a safe, adequate and substantial condition, and in good order and repair. The Grantee shall, at all times, employ ordinary care and shall install and maintain in use commonly accepted methods and devices for preventing failures

and accidents which are likely to cause damage, injuries, or nuisances to the public. Suitable barricades, flags, lights, flares or other devices shall be used at such times and places as are reasonably required for the safety of all members of the public. Any poles or other fixtures placed in any public way the Grantee shall be placed in such a manner as not to interfere with the usual travel on such public way.

(5) Grantee shall, at its own expense, and in a manner approved by the County, restore to County reasonable standards any damage or disturbance caused to the public way as a result of its operations or construction on its behalf.

(6) Whenever, in case of fire or other disaster, it becomes necessary in the judgment of the Chief of the Fire Department or Chief of the Police Department to remove any of the Grantee's facilities, no charge shall be made by the Grantee against the County for restoration and repair, unless such acts amount to gross negligence by the County.

(7) Grantee or its designee shall have the authority to trim trees on public property at its own expense as may be necessary to protect its wires and facilities, subject to the supervision and direction of the County. Trimming of trees on private property shall require written consent of the property owner.

(8) The Grantee shall protect, support, temporarily disconnect, relocate, or remove any property of Grantee when, in the opinion of the County the same is required by reason of traffic conditions, public safety, street vacation, freeway or street construction, change or establishment of street grade, installation of sewers, drains, water pipes, power line, signal line, transportation facilities, tracks, or any other types of structure or improvements by governmental agencies whether acting in a governmental or a proprietary capacity, or any other structure or public improvement, including but not limited to movement of buildings, urban