

ORDINANCE NO 03-14

AN ORDINANCE AMENDING THE EXISTING CABLE FRANCHISE AGREEMENT BETWEEN THE CITY OF COMMERCE AND COMCAST CABLE COMMUNICATIONS, INC., TO PROVIDE FOR A DIFFERENT CONSIDERATION; PROVIDING FOR A EFFECTIVE DATE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, Comcast Cable Communications, Inc, is recommending that the City of Commerce amend the current franchise agreement in order to reduce the franchise fee on non-subscriber revenues each month by .21% or \$.08 per \$40.00 bill; and

WHEREAS, the City and Comcast desire to amend said franchise ordinance to provide for a consideration;

NOW, THEREFORE, BE IT ORDANED BY THE CITY COUNCIL FO THE CITY OF COMMERCE, TEXAS: that

SECTION 1: The existing cable franchise ordinance between the City and Comcast Cable Communications, Inc. is amended to reflect said reduction in franchise fee on non-subscriber revenues each month by .21% or \$.08 per \$40.00 bill.

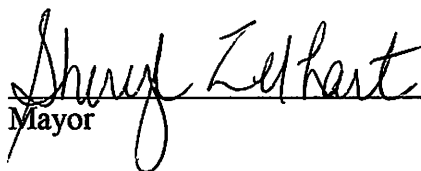
SECTION 2. In all respects, except as specifically and expressly amended by this ordinance, the existing effective franchise ordinance heretofore duly passed by the governing body of the City and duly accepted by Comcast shall remain in full force and effect according to its terms until said franchise ordinance terminates as provided therein.

SECTION 3. This ordinance shall take effect upon its final passage and Comcast Cable Communications, Inc. acceptance.

SECTION 4. It is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was give as required.

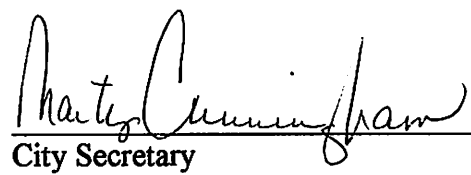
PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS, on the FIRST READING on the 17th day of June 2003, at which meeting a quorum was present and voting.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS, on the SECOND READING on the 1st day of July 2003, at which meeting a quorum was present and voting.



Mayor

ATTEST:



City Secretary

Ordinance/Franchise/CableFranchiseAmend.061703



Comcast Cable Communications, Inc.
2951 Kinwest Parkway
Irving, TX 75063
www.comcast.com

May 22, 2003

By Electronic Mail & U.S. Mail

Mr. Bill Shipp
City Manager
City of Commerce
1119 Alamo
Commerce, TX 75428

Re: Revised Method for Recovery of Franchise Fees on Non-Subscriber
Revenue Effective July 1.

Dear Mr. Shipp:

In December 2002, we notified the City regarding an order issued by the Federal Communications Commission clarifying that cable operators may pass through the collection of franchise fees on non-subscriber revenues which includes revenues from advertising and home shopping. While we anticipated that we would be increasing franchise fees on non-subscriber revenue beginning the first quarter of 2003, after additional analysis we decided not to implement the pass through at that time.

We subsequently decided that the method used to calculate franchise fees recovered on non-subscriber revenue should be based on 2003 budget projections since that approach is based on revenue that is received for the current year and is a more accurate determination of the amount to be collected from subscribers. Effective July 1, 2003 we will implement recovery based on this methodology. Additionally, we will continue to review collection amounts and "refresh" this number on an annual basis. The amount of the franchise fee to be collected on non-subscriber revenues each month will be decreased by -0.21% or approximately \$0.08 on a bill of \$40.00.

Although Comcast has the right to pass through to customers a higher franchise fee amount to account for franchise fees paid on non-subscriber revenues, it remains our desire to keep customer franchise fee pass throughs to a minimum. Therefore we would like to ask you to consider excluding non-subscriber related revenue from our franchise fee payment obligation. Please contact me at your earliest convenience if you are interested in discussing this exclusion. We are preparing to collect from customers and

itemize on customer bills the full amount of the franchise fees paid to your community, including those franchise fees paid on non-subscriber related revenues effective July 1, 2003. If we receive confirmation either now or in the future that you agree to reduce our franchise fee payment obligations by excluding non-subscriber related revenue, we will adjust the franchise fee pass through to customers on a going-forward basis accordingly. This adjustment will lower the franchise fee amount paid by customers, and reduce our franchise fee payments to your community by a corresponding amount.

Customers will be notified of this change in the franchise fee calculation in writing 30 days in advance of its implementation by way of a bill message. If you have any questions about this matter, please call me at (972) 830-3812.

Sincerely,

A handwritten signature in black ink, appearing to read "Dick Kirby". The signature is fluid and cursive, with the first name "Dick" and last name "Kirby" clearly distinguishable.

Dick Kirby
Executive Director
Franchising/Government Affairs

I, _____, duly authorized representative for _____
("LFA"), understand and agree that Comcast may exclude non-subscriber related
revenues collected from customers from its calculation of franchise fees payable to
LFA beginning July 1, 2003. I acknowledge and specifically waive any contrary
requirements that may exist in the franchise agreement between Comcast and LFA, or
any other local ordinance or resolution. Comcast may act in reliance on this letter
unless and until notified in writing by the LFA that this authorization has been
rescinded and that future franchise fee payments should therefore be calculated in the
manner set forth in the franchise agreement.

Signed _____ Date _____

Title _____