



Sue Hildick

Director

Public & Government Affairs
2051 Kaen Road
Oregon City, OR 97045

503-655-8751

clackamas.us

November 30, 2021

Board of County Commissioners
Clackamas County

Members of the Board:

A Board Order Terminating the Cable Television Franchise Agreements
for use of the County Rights-of-Way with Reliance Connects (Cascade Access, LLC),
DirectLink (Canby Telecom), ColtonTel (Colton Telephone Company),
Clear Creek Communications (Clear Creek Mutual
Telephone Company), and Government Camp Cable, Inc.

Purpose/Outcome	Board Order to terminate the cable television franchise agreements.
Dollar Amount and Fiscal Impact	Lost cable franchise fees for FY21-22: \$42,827 Lost Public Educational and Government (PEG) channel payments for FY21-22: \$6,456
Funding Source	Payments from franchisees based upon gross receipts from cable subscribers and PEG payments.
Duration	Effective: Reliance Connects: October 15, 2009 – October 15, 2021 DirectLink: August 6, 2020 – January 31, 2022 Coltontel: May 17, 2012 – December 31, 2021 Clear Creek Com.: June 21, 2012 – March 31, 2022 Government Camp Cable: April 27, 2017 – October 1, 2021
Previous Board Action/Review	The current franchise agreements were approved by the BCC as shown above as the start dates.
Strategic Plan Alignment	Building public trust through good government.
Counsel Review	This Franchise Agreement has been reviewed and approved by County Counsel on 11-2-21. JM
Procurement Review	No, because this is item is a franchise agreement.
Contact Person	Sue Hildick, Public and Government Affairs, 503-742-5900
Contract No.	N/A

BACKGROUND:

The County has Franchise Agreements for use of the County's rights-of-way to provide cable television service and communications to residents in unincorporated Clackamas County with the following cable providers: Reliance Connects (Cascade Access, LLC), DirectLink (Canby Telecom), ColtonTel (Colton Telephone Company), Clear Creek Communications (Clear Creek Mutual Telephone Company), and Government Camp Cable, Inc. All of these cable providers had been paying franchise fees to Clackamas County of 5% of gross revenues.

The Franchise Agreements also include broadcast of some or all of the following five (5) Public, Educational and Government (PEG) Access Channels: Clackamas County Government Channel, Clackamas Community College Channel, North Clackamas School District-Sabin Schellenberg Center

Channel, and the Willamette Falls Studios Channel in the service area of the cable companies. The cable companies are supporting the five Access Channels with a monthly contribution of \$.80--\$1.00 per cable subscriber.

Due to market forces, the above cable providers have provided notice to Clackamas County of their intention to cease cable operations. Copies of the letters provided to the County are attached. In the case of all of these providers, except Government Camp Cable, they were using a service called EZVideo to provide a traditional cable television like service delivered using an internet connection. The company that provided the EZVideo service filed for bankruptcy. As part of the bankruptcy proceeding, EZVideo was purchased from its original owners by TiVo (a provider of DVRs and streaming services). TiVo chose to substantially increase the cost of EZVideo to the four companies. Subsequently, the companies all made a determination that they could no longer even “break even” in the provision of Cable Service at affordable rates to their subscribers. Government Camp Cable similarly made the decision to cease cable services when the cost to acquire content increased at the same time as the number of cable subscribers decreased.

During this time that the cable providers have been winding down operations they have agreed to provide information to subscribers about how to find information from the PEG access centers online. Public and Government Affairs will also be advertising ways to find the Clackamas County access centers’ online on the Clackamas County Government Channel’s readerboard. This programming information will also be provided to the access centers to post on their channel readerboards.

One element of cable television that is not currently replicated online is the Emergency Broadcast System. This is a service that Clackamas 911, Fire Departments, law enforcement, and the National Weather Service use to get emergency information to people while watching television and listening to radio. While this service will no longer reach residents in the areas via cable television it will continue over broadcast television and radio. Residents can also sign up for emergency alerts via Everbridge reverse 911. The sign up can be found here: <https://www.clackamas.us/dm/publicalerts>. In the case of an emergency a user will receive alerts by email, VOIP, TTY/TDD devices, or on their cell phone.

RECOMMENDATION:

Staff respectfully recommends the Board approve the Order to Terminate Cable Television Franchise Agreements with: Reliance Connects effective October 15, 2021; DirectLink effective January 31, 2022; Coltontel effective December 31, 2021; Clear Creek Com. effective March 31, 2022; and Government Camp Cable effective October 1, 2021. County Counsel has reviewed and approved the attached Board Order.

Respectfully submitted,



Sue Hildick, Director
Public and Government Affairs

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Terminating the Cable Television Franchise Agreements for use of the County Rights-of-Way with Reliance Connects (Cascade Access, LLC), DirectLink (Canby Telecom), ColtonTel (Colton Telephone Company), Clear Creek Communications (Clear Creek Mutual Telephone Company), and Government Camp Cable, Inc.



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This matter coming on at this time, and it appearing that Reliance Connects (Cascade Access, LLC), has been providing cable television service utilizing the County rights-of-way pursuant to Franchise Agreement, approved by the BCC on October 15, 2009, that expired on October 15, 2021 and;

It further appearing that DirectLink (Canby Telecom) has been providing cable television service utilizing the County rights-of-way pursuant to Franchise Agreement, approved by the BCC on August 6, 2020 and requests that the franchise be terminated effective January 31, 2022, and;

It further appearing that ColtonTel (Colton Telephone Company) has been providing cable television service utilizing the County rights-of-way pursuant to Franchise Agreement, approved by the BCC on May 17, 2012 and requests that the franchise be terminated effective December 31, 2021, and;

It further appearing that Clear Creek Communications (Clear Creek Mutual Telephone Company) has been providing cable television service utilizing the County rights-of-way pursuant to Franchise Agreement, approved by the BCC on June 21, 2012 and requests that the franchise be terminated effective March 31, 2022, and;

It further appearing that Government Camp Cable, Inc. has been providing cable television service utilizing the County rights-of-way pursuant to Franchise Agreement, approved by the BCC on April 27, 2017 and requests that the franchise be terminated effective October 1, 2021, and;

It further appearing that the County and the above mentioned cable providers have reviewed the market conditions and infrastructure issues leading to the companies decisions to seek to terminate their Franchise Agreements; and

It further appearing that the termination of the Franchise Agreements would be in the best interests of the citizens of the County;

NOW, THEREFORE, IT IS HEREBY ORDERED that the Franchise Agreements of the following cable providers be terminated on the dates indicated: Reliance Connects effective

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Terminating the Cable
Television Franchise Agreements
for use of the County Rights-of-Way
with Reliance Connects (Cascade
Access, LLC), DirectLink (Canby
Telecom), ColtonTel (Colton
Telephone Company), Clear Creek
Communications (Clear Creek Mutual
Telephone Company), and
Government Camp Cable, Inc.



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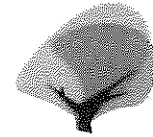
October 15, 2021; DirectLink effective January 31, 2022; ColtonTel effective December 31, 2021; Clear Creek Com. effective January 31, 2022; and, Government Camp Cable effective October 1, 2021.

DATED this _____ day of November, 2021.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Chair

Recording Secretary



**RELIANCE
CONNECTS**

**ROOTED HERE.
REACHING THERE.**

10/6/21

Clackamas County Public and Government Affairs
Attn: Kellie Lute
2015 Kaen Road #426
Oregon City, OR 97045

Dear Kelli:

I am writing to inform you that Cascade Access, LLC d/b/a Reliance Connects will not be renewing our Cable Franchise Agreement for the use of the Clackamas County rights-of-way.

Video is an expensive service to provide. An abundance of video solutions in the market today cater to multiple preferences, and subscribers have more choices than ever to customize their entertainment experience at a price where we are no longer competitive. We do not enjoy raising customers' bills, and we do everything we can to negotiate for fair rates from content providers and technology partners. However, the changes the TV industry are facing make it extremely difficult for small companies like Reliance Connects to continue to offer video services at reasonable rates. We have seen all core product programming tier costs more than double in the last decade. Even though we pool our content negotiations with hundreds of independent providers throughout the United States, we are unable to offer the kinds of packages and programming options at affordable prices that customers want. Therefore, Reliance Connects will be discontinuing Cable services as of October 31, 2021.

Reliance Connects will continue to offer high quality broadband service to our customers within our exchange boundary. All our customers have access to broadband service, which can be used to find at transport subscription TV services. We have compiled information about a variety of popular options and are ready to help customer navigate all the options. Many include customizable live cable and/or local channel packages at affordable prices with many of the same features and content customers have grown to love. The majority of these services work over the Internet on the same device(s) our customers use now to access Cable/EZVideo. Visit www.relianceconnects.com/streaming to learn more about these options.

It has been a pleasure working with Clackamas County and we look forward to future projects.

Sincerely,

Matt Day

PO Box 189
Estacada, OR 97023

Phone: 503.630.4202
Fax: 503.630.8934



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VISIT US ONLINE AT CANBYLAW.COM

James M. Hunsaker
jim@canbylaw.com
* licensed in Oregon, Washington, and Colorado

August 24, 2021

Administrative Services Manager
Public and Government Affairs Department
2051 Kaen Road, 4th Floor, Suite 426
Oregon City, OR 97045

**SENT CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Re: Cable Television Franchise Agreement
Clackamas County – Canby Telcom/DirectLink
July 2020 (“Franchise Agreement”)

To whom it may concern:

We represent DirectLink on various matters. Please be advised that, as of January 31, 2022, Canby Telcom d/b/a DirectLink will cease offering video services (EZVideo and IPTV). As such, DirectLink will no longer be a Cable Operator, offer Cable Service, or operate a Cable System (each as defined in the Franchise Agreement).

While this was a difficult decision, it is the direct result of the bankruptcy of our video service provider. DirectLink has announced this change to its members and is actively assisting them in transitioning from EZVideo and IPTV to a replacement video service provider.

DirectLink will continue to offer telephone and internet services.

If you have any questions or concerns about these matters, please let me know.

Thank you.

Sincerely,


James M. Hunsaker

cc: Paul Hauer, DirectLink (via e-mail)
Kellie Lute, Clackamas County (via e-mail)
Jeff Munns, Clackamas County (via e-mail)



Jennifer L. Tiger
Attorney at Law

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Stayton, OR 97383-0248

503.769.7741

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www.staytonlaw.com

Admitted in OR and WA

August 30, 2021

CERTIFIED MAIL RETURN RECEIPT REQUESTED
AND REGULAR MAIL

Cable Communications Manager
Clackamas County
2051 Kaen Road
Oregon City, OR 97045

RE: Notice of Termination of Operation of Cable System

This office represents Colton Telephone Company, an Oregon cooperative corporation doing business as ColtonTel, PO Box 68, Colton, OR 97017 ("ColtonTel").

As you may know, the DirectLink Board of Directors has voted to discontinue offering both its IPTV and EZVideo services to its members as of January 31, 2022. As DirectLink is ColtonTel's content provider, this letter is to formally and officially notify you that Colton will be unable to continue providing video service to its customers and will cease its video operations effective December 31, 2021.

The Cable Television Franchise Agreement dated May 2012, by and between the County and ColtonTel requires the parties to meet within 30 days to discuss ColtonTel's plan and its effect on customers and County rights of way. Please contact Geri Fraijo, General Manager, at 503-824-3211 at your earliest convenience to schedule a time at which to meet to discuss this matter.

Thank you for your courtesy and cooperation in this matter. Please do not hesitate to contact me if you have any questions or desire further information.

Very truly yours,

Jennifer L. Tiger

cc: Geri Fraijo, ColtonTel



Clear Creek
Communications

18238 S. Fischers Mill Road
Oregon City, OR 97045-9696
Phone: (503) 631.2101
Fax: (503) 631.2098
www.ccmtc.com

10/11/2021

Clackamas County Public and Government Affairs
Attn: Kellie Lute
2015 Kaen Road #426
Oregon City, OR 97045

Dear Kelli,

I am writing to inform you that Clear Creek Mutual Telephone, d/b/a Clear Creek Communications, will be sunsetting its Cable TV service as of March 31, 2021.

This decision was not an easy one to make but has been a topic in board meetings for years. Below are some the factors that drove the decision process.

- Industry Broadcast retransmission fees have increased from 2.4 billion in 2012 to 11.8 billion in 2022. That's nearly a 400% increase in 10 years. (In comparison, the US inflation for the same period was just 25%).
- Current surveys indicate that 27% of US households plan to cut cable TV in 2021, and 40% will drop service by 2025.
- 55% of Pay-TV households consider live sports important in their decision in service choice.
- 39% are now watching sports via OTT.
- 78% of US households subscribe to at least one OTT service (Netflix, Amazon Prime, Hulu, Disney+, HBO Max, etc.), 61% subscribe to 2 or more.

Clear Creek and other neighboring telcos attempted to mitigate the negative financial impacts by consolidating headends and pooling resources to form Oregon Cable Group. This worked to stave off heavy investments but, as consumers continue to move to over-the-top programming, the costs became too much.

With the Oregon Cable Group shutting down the "super head-end", Clear Creek is faced with no choice but to follow. This has been talked about for some time and this is certainly sooner than anyone would have anticipated. The video industry was thrust into overdrive in the past 18-24 months with COVID. Not that it was not in motion, but COVID certainly accelerated the pace.

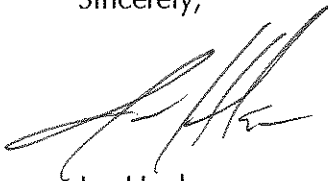
Over the next 6 months Clear Creek will be working to educate our members who subscribe to CATV on over-the-top streaming by doing the following:

- Hosted in-person Q&A sessions at the office
- In-home assistance turnup streaming devices
- Website page dedicated to streaming options **ccmct.com/streaming**
- Dish Satellite for those who want that traditional CATV experience (there will be some)

Clear Creek will continue to offer high quality broadband and voice service to our members within our exchange boundaries. All of our customers have access to broadband which can be used to find video services that they have today. In many ways, we see this as Clear Creek getting back to what we do best and that is connecting members in the Redland community to the world.

It has been a pleasure working with Clackamas County and we look forward to future projects.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Henke". The signature is fluid and cursive, with a large initial "J" and "H".

Jay Henke
President



October 25, 2021

Administrative Services Manager
Public and Government Affairs Department
20512 Kean Road, 4th Floor, Suite 426
Oregon City, OR 97045

Re: Cable Franchise Agreement - Termination

To Whom It May Concern:

I am writing you to inform you that Government Camp Communications made the difficult decision to cease billing the 18 remaining customers we had on our cable system and to terminate the services offered over coax cable on January 1st, 2021. We made this decision for the following reasons:

- 1) The ability to deliver content, as cable content providers moved satellites, became untenable. Given our limited line of site, the new satellite feeds became unreachable.
- 2) The limited content we could provide became too cost prohibitive for us and our customers.
- 3) Our customers migration from coax cable to high-speed internet and the platforms video providers offer, decimated our customer base by over 80%.

As a result of these market conditions, effective October 1st, 2021, Government Camp Communications will no longer be a cable operator, offer cable service, or operate a cable system, (each as defined in the Franchise Agreement).

If you have any questions, comments, or concerns regarding this Letter of Termination, please contact me directly. It has been a pleasure to work with the county, specifically Kellie Lute, and we look forward to continuing our relationship with the Technology Services Department.

Regards,

A handwritten signature in black ink, appearing to read "B. Fischer".

Brett Fischer
General Manager
Mt. Hood Management
DBA Government Camp Communications