



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING
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March 17, 2022

Board of County Commissioners
Clackamas County

Members of the Board:

A Board Order Terminating the Cable Television Franchise Agreement
for use of the County Rights-of-Way with
Beaver Creek Cooperative Telephone Company (BCT)

Purpose/Outcome	Board Order to terminate the cable television franchise agreements.
Dollar Amount and Fiscal Impact	Lost cable franchise fees for FY21-22: \$13,747 Lost Public Educational and Government (PEG) channel payments for FY21-22: \$1,096.50
Funding Source	Payments from franchisees based upon gross receipts from cable subscribers and PEG payments.
Duration	Effective: BCT: September 23, 2021 – March 31, 2022
Previous Board Action/Review	The current franchise agreement was approved by the BCC as shown above as the start date.
Strategic Plan Alignment	Building public trust through good government.
Counsel Review	This Franchise Agreement has been reviewed and approved by County Counsel on 3-9-22. JM
Procurement Review	No, because this is item is a franchise agreement.
Contact Person	Jeffrey Munns, Assistant County Counsel (503) 742-5984
Contract No.	N/A

BACKGROUND:

The County has a Franchise Agreement for use of the County's rights-of-way to provide cable communications to residents in unincorporated Clackamas County with Beaver Creek Cooperative Telephone Company (BCT) who has been paying franchise fees to Clackamas County of 5% of gross revenues.

The Franchise Agreement also includes broadcast of the following Public, Educational and Government (PEG) Access Channels: Clackamas County Government Channel, Clackamas

Community College Channel, and the Willamette Falls Media Center in the cable service area. BCT has been supporting the five Access Channels with a monthly contribution of \$1.00 per cable subscriber.

Due to market forces the above cable provider has provided notice to Clackamas County of their intention to cease cable operations. Copies of the letter provided to the County is attached. BCT was 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 BCT. Subsequently, BCT has made a determination that they could no longer even “break even” in the provision of Cable Service at affordable rates to their subscribers. BCT terminated cable services through EZVideo effective January 31, 2022, and will terminate all cable television services effective March 31, 2022.

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 BCT franchise area 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 the Beaver Creek Cooperative Telephone Company (BCT) effective March 31, 2022

Respectfully submitted,



Jeffrey D. Munns
Assistant County Counsel



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February 10, 2022

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 – Beaver Creek Cooperative Telephone Company
September 2021 (“Franchise Agreement”)

To whom it may concern:

We represent Beaver Creek Cooperative Telephone Company (“BCT”) on various matters. Please be advised that, as of March 31, 2022, BCT will cease offering video services. As such, BCT 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. BCT has announced this change to its members and is actively assisting them in transitioning to a replacement video service provider.

BCT 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,

A handwritten signature in blue ink that reads 'James M. Hunsaker'. The signature is fluid and cursive, with the first name 'James' and last name 'Hunsaker' clearly legible.

James M. Hunsaker

cc: Paul Hauer, Beaver Creek Cooperative Telephone Company (via e-mail)
Kellie Lute, Clackamas County (via e-mail)
Jeff Munns, Clackamas County (via e-mail)

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

In the Matter of Terminating the Cable
Television Franchise Agreement
for use of the County Rights-of-Way
with Beaver Creek Cooperative
Telephone Company (BCT)



Order No. _____

This matter coming on at this time, and it appearing that Beaver Creek Cooperative Telephone Company (BCT), has been providing cable television service utilizing the County rights-of-way pursuant to Franchise Agreement, approved by the BCC on September 23, 2021 and requests that the franchise be terminated effective March 31, 2022, and;

It further appearing that the County and the above mentioned cable provider have reviewed the market conditions and infrastructure issues leading to BCT's decision to seek to terminate its Franchise Agreement; and

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

NOW, THEREFORE, IT IS HEREBY ORDERED that the Franchise Agreement of Beaver Creek Cooperative Telephone Company (BCT) be terminated effective March 31, 2022.

DATED this 17th day of March, 2022.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Chair

Recording Secretary