

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-123**

Authorizing Termination of the Cable Franchise Agreement with Western Integrated Networks of Oregon Operating, LLC, and Releasing the Company from its Obligations Under the Franchise

**The Multnomah County Board of Commissioners Finds:**

- a. The Mount Hood Cable Regulatory Commission (MHCRC) created by Intergovernmental Agreement dated December 24, 1992 (IGA), performs cable regulation and administration on behalf of Multnomah County (County) and the Cities of Fairview, Gresham, Portland, Troutdale, and Wood Village (Jurisdictions). Among other things, MHCRC acts in an advisory capacity to the Jurisdictions in connection with any cable franchise decisions.
- b. As provided in the MHCRC IGA, Section 4.B., the County reserves full authority to accept, reject, or modify proposed franchise agreements for cable, broadband or other services recommended by MHCRC.
- c. On September 7, 2000, by Resolution 00-148, the Board approved a Cable Franchise Agreement with Western Integrated Networks of Oregon Operating, LLC (WIN Oregon) for construction, operation and maintenance of a cable system within the Jurisdictions.
- d. In the time since the County granted the franchise to WIN Oregon, the company has not performed its obligations under the franchise, and its corporate parent company is in bankruptcy proceedings. Section 24.1(B)(4) of the franchise allows for termination for any delays in performance, including construction of the cable system, exceeding 18 months. Given the current circumstances, there is little likelihood that WIN Oregon will perform on its franchise obligations in the future. WIN Oregon has been previously notified of this default under the franchise, and has not taken steps to cure the default.
- e. The existence of the County's franchise with WIN Oregon is a potential barrier to other companies' consideration of entering franchise agreements with the Jurisdictions to provide competing cable and other communications services in the future.
- f. On June 16, 2003, by Resolution No. 2003-01 attached as Exhibit A, MHCRC recommended that the Jurisdictions terminate the franchises with WIN Oregon, in accordance with Section 24(B)(4).
- g. It is in the interest of the County to authorize termination of the WIN Oregon franchises with the Jurisdictions.

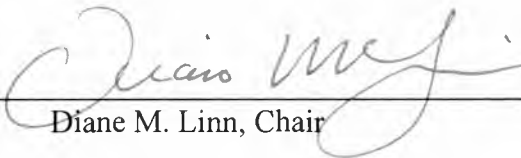
**The Multnomah County Board of Commissioners Resolves:**

1. The County approves termination of the MHCRC/WIN franchise between Western Integrated Networks of Oregon Operating, LLC and the Jurisdictions adopted by County Resolution 00-148 and release of WIN Oregon from all obligations under the franchise.

ADOPTED this 4<sup>th</sup> day of September 2003.




BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
Agnes Sowle, County Attorney

Before the  
Mt. Hood Cable Regulatory Commission  
1120 SW Fifth Ave., Room 1305  
Portland, OR 97204

Recommend that franchises issued	)	Resolution No. 2003-01
to Western Integrated Networks be	)	Adopted by the Commission:
terminated.	)	June 16, 2003

Section 1. Findings

- 1.1 The Mount Hood Cable Regulatory Commission (“Commission” or “MHCRC”) was created by Intergovernmental Agreement (dated 12/24/1992) (“IGA”) to carry out cable regulation and administration on behalf of Multnomah County and the cities of Portland, Gresham, Troutdale, Fairview, and Wood Village (the Jurisdictions”). Among other things the Commission acts in an advisory capacity to the Jurisdictions in connection with the granting or termination of cable franchises. The Jurisdictions themselves have authority in these matters; and have agreed to consider the advice and recommendations of the MHCRC and to take no action in connection with these matters until the Commission has had a prior opportunity to consider them.
- 1.2 Western Integrated Networks of Oregon Operating, LLC (“WIN Oregon”) holds cable franchises in the Jurisdictions of Multnomah County and the cities of Gresham, Troutdale, Fairview, and Wood Village, containing certain requirements and authorizations connected with constructing, operating and maintaining a cable system. These franchises are due to expire in 2010, with possible extension of these franchises under certain conditions.
- 1.3 Due to a range of factors, including changing economic conditions, access to capital for telecommunications projects and the bankruptcy of its corporate parent, WIN Oregon has been unable to meet its obligations under its existing franchises in the Jurisdictions. Counsel for WIN Oregon’s corporate parent has affirmed that the WIN Oregon entity is not included in the parent company’s bankruptcy proceeding.
- 1.4 In the light of existing economic conditions affecting overbuilds generally, and WIN Oregon in particular, the orderly termination of these franchises has been recommended by MHCRC staff. It is in the interest of the Jurisdictions and the Commission to facilitate the orderly termination of these franchises.

NOW, THEREFORE, the Commission resolves:

Section 2.

- 2.1 The Commission finds that more than 18 months have elapsed since issuance of franchises by the Jurisdictions to WIN Oregon, and WIN Oregon has not performed its obligations under the franchise since franchise issuance.
- 2.2 The Commission recommends that the Jurisdictions formally terminate the franchises issued to WIN Oregon in accordance with Section 24(B)(4) of each Jurisdiction franchise, respectively, authorizing termination of the franchise for any delays in performance exceeding 18 months.
- 2.3 The Commission directs staff to prepare all necessary documents to facilitate the implementation of the recommendations in this Resolution.

RESOLVED BY THE COMMISSION on June 16, 2003.

/s/  
Sue Dicile, Chair

Reviewed by:

/s/  
Benjamin Walters, Legal Counsel