



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 16 - 0 1 5 1
MAY 11 2016

REPORT RE:

**REVISED DRAFT ORDINANCE AMENDING ARTICLE 5.5 OF THE LOS ANGELES
ADMINISTRATIVE CODE TO ADD PROVISIONS REGARDING VIDEO SERVICE
FEES FOR PUBLIC, EDUCATIONAL AND GOVERNMENTAL
VIDEO PROGRAMMING**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

On August 5, 2015, the City Council requested this Office to prepare an ordinance to amend Article 5.5 of the Los Angeles Administrative Code to add provisions regarding video service fees for public, educational and governmental video programming. A draft of that ordinance was returned to City Council on October 5, 2015 (R15-0256). In the intervening time, the City reached a settlement agreement with Time Warner Cable in the litigation matter, *City of Los Angeles v. Time Warner Cable, Inc., Time Warner Cable Pacific LLC, et al.*, Case No. CV14-01984ODW(ASX).

Taking into consideration the terms of the settlement agreement, this Office has prepared and now transmits for your consideration a revised draft ordinance, approved as to form and legality. The previous draft ordinance amended Section 5.97 of the Los Angeles Administrative Code to create an account within the Telecommunications Fund to collect public, educational and governmental (PEG) fees separately from other revenue deposited into the fund. This enclosed draft ordinance incorporates the language of the prior version, but also contains a new subsection that creates an additional account within the Telecommunication Fund that will allow the City to separately account for those PEG fees paid by Time Warner Cable.

Council Rule 38 Referral

A copy of the revised draft ordinance was sent, pursuant to Council Rule 38, to the Information Technology Agency with a request that all comments, if any, be presented directly to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Michael J. Dundas at (213) 978-8147. He or another member of this Office will be present when you consider this matter to answer any question you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 
DAVID MICHAELSON
Chief Assistant City Attorney

DM:MD:ac
Transmittal

ORDINANCE NO. _____

An ordinance amending Article 5.5 of the Los Angeles Administrative Code to add provisions regarding video service fees for public, educational and governmental video programming.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Article 5.5 of the Los Angeles Administrative code is hereby amended in its entirety to read as follows:

CHAPTER 5, ARTICLE 5.5

**TELECOMMUNICATIONS FUND,
PRIVATE LINE FRANCHISE AND STATE VIDEO FRANCHISE FEES**

Sec. 5.97. Creation of Fund.

(a) There is hereby established within the Treasury of the City of Los Angeles a special fund to be known as the **“Telecommunications Fund, Private Line Franchise and State Video Franchise Fees” (Fund)**. All monies received or collected from state video franchise holders or private line franchise holders shall be deposited into the Fund.

(b) There is hereby established within the Fund an account to be known as the **“Telecommunications Development Account.”** Forty percent (40%) of all monies received or collected from state video franchise holders by way of a franchise fee paid pursuant to Section 13.64.1(a) of this Code shall be deposited into said account. Forty percent (40%) of all monies received or collected from private line franchise holders operating pursuant to Section 13.62 of this Code shall be deposited into said account.

(c) There is hereby established within the Fund an account to be known as the **“Public, Educational and Governmental Development Account.”** One hundred percent (100%) of all monies received or collected from state video franchise holders by way of a public, educational and governmental fee paid pursuant to Section 13.64.1(b) of this Code shall be deposited into said account.

(d) There is hereby established within the Fund an account to be known as the **“Public, Educational and Governmental Settlement Account.”** Subsection (c) notwithstanding, One hundred percent (100%) of all monies received or collected from Time Warner Cable, Inc., and its franchise successors and assigns, by way of a public, educational and governmental fee paid pursuant to Section 13.64.1(b) of this Code, including any remaining fees paid prior to the effective date of this section, shall be deposited into said account.

Sec. 5.97.1. Administration of Fund.

(a) The Fund shall be administered by and expenditures shall be authorized by the General Manager of the Information Technology Agency, or the designee thereof, subject to prior approval by the City Council and the Mayor.

(b) Expenditures may be made from the Telecommunications Development Account only for public access, educational access and government access programming and any other telecommunication uses in the City. The City Council expressly reserves the right to transfer funds from the Telecommunications Development Account to the General Fund upon a majority vote of the City Council and approval by the Mayor.

(c) Expenditures may be made from the Public, Educational and Governmental Development Account only for public, educational and governmental purposes consistent with state and federal law.

(d) Expenditures may be made from the Public, Educational and Governmental Settlement Account only in accordance with the terms of the settlement agreement entered into for *City of Los Angeles v. Time Warner Cable, Inc., Time Warner Cable Pacific LLC, et al.*, Case No. CV14-01984ODW(ASX).

(e) The Fund shall be interest bearing. All interest and other earnings attributable to monies in the Fund or to any of the separate accounts within the Fund shall be credited to the Telecommunications Development Account and shall be utilized in accordance with Subsection (b) above.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

HOLLY L. WOLCOTT, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By  _____
MICHAEL J. DUNDAS
Deputy City Attorney

Date 5/11/16 _____

File No. _____