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City of West Allis Matter Summary

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number	Title	Status
2003-0611	Communication	In Committee
	Video/Cable Communications Coordinator communication regarding the Franchise Fee Audit Report.	
	Introduced: 10/7/2003	Controlling Body: License & Health Committee

COMMITTEE RECOMMENDATION approval

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>10-7-03</u>			Barczak				
			Czaplewski				
			Kopplin				
			Lajsic				
			Narlock				
			Reinke				
		✓	Sengstock				
	✓		Trudell				
			Vitale				
			Weigel				
			TOTAL				

SIGNATURE OF COMMITTEE MEMBER (RECORDER)

Henry T. Barczak _____
 Chair Vice-Chair Member

COMMON COUNCIL ACTION approval

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>10-9-03</u>	✓		Barczak				
			Czaplewski				
			Kopplin				
			Lajsic				
		✓	Narlock				
			Reinke				
			Sengstock				
			Trudell				
			Vitale				
			Weigel				
			TOTAL				

Unanimous



CITY OF WEST ALLIS

WISCONSIN



Department of Administration & Finance
Office of Cable Communications

JERRY MUSIAL
Video/Cable Communications Coordinator

To: License & Health Committee
From: Jerry Musial
Re: Franchise Fee Audit Report
Date: September 29, 2003

RECEIVED
SEP 29 2003
CITY OF WEST ALLIS
CLERK/TREASURER

The City of West Allis entered into a contract with Lou Karrison, Sikich Gardner & Co, LLP, to conduct an audit of the franchise fee calculations for the year 1999. Upon receipt of the report the City of West Allis requested Time Warner Cable to remit the outstanding amount indicated as unpaid franchise fees. Time Warner Cable responded that they concurred that "Trades" and "Launch Fees" were not calculated in franchise fees for the year 1999 and would pay those amounts. However Time Warner disagreed with the auditor's ascertainment that "Ad Agency Commissions" should be a part of the franchise fee calculations. Time Warner cited the FCC Declaratory Ruling in the matter of Time Warner Cable vs. the City of Orlando, FL, as the basis for their response. Time Warner felt the FCC ruling on franchise fee calculations pertained only to revenue actually received by the cable operator. The City of West Allis argued that the FCC ruling pertained specifically to franchise fee calculation exemption on "uncollectable debt". A meeting was held between the City and Time Warner (attendees: Paul Ziehler and Jerry Musial representing the City, and, Bev Greenberg, Karl Thiele and Celeste Flynn representing Time Warner Cable) to further discuss this matter. Upon conclusion of the meeting the City stated it would look into the matter further.

Assistant City Attorney Sheryl Kuhary contacted John Norton, FCC Deputy Chief, Media Bureau, for clarification on the FCC ruling in the matter of Time Warner vs. the City of Orlando, FL. Mr. Norton concurred with Time Warner's interpretation that the ruling pertained to franchise fee calculations on revenue actually collected by the cable operator. With that response by the FCC the City of West Allis dropped its request for Ad Agency Commissions to be a part of franchise fee calculations.

The City of West Allis then requested Time Warner to not only submit the remaining franchise fees unpaid for the year 1999, but also extended those unpaid calculations into the years 2000, 2001 and 2002. Time Warner responded with the exact franchise fee calculations for those areas in questions for the years 2000, 2001 and 2002. This resulted in a total amount of unpaid franchise fees owed to the City of West Allis to be \$7,109.03.

As part of the current Franchise Renewal process a franchise fee examination will be conducted for the year 2003, so it will be easy to double check Time Warner's calculations without incurring another franchise fee audit.

Respectfully submitted,

Jerry Musial
Jerry Musial

Cc: Mayor Bell
Paul Ziehler

*Hermine/ Monica
Please enter this report
and attached communication
to the Council Agenda for
October 7th.
Thanks
Jerry*